



Daily Report

East Asia

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Tokyo Supports U.S., EC on Human Rights Issues

*OW1906022193 Tokyo KYODO in English 0206 GMT
19 Jun 93*

[Text] Vienna, June 18 KYODO—Japan on Friday [18 June] urged the United Nations to play a more active role in promoting the preservation of human rights and creation of a U.N. High Commissioner's post to investigate human rights abuses around the world. Japan's envoy to the U.N. World Conference on Human Rights, Nobuo Matsunaga, stressed the universality of human rights values, describing the issue as a matter of international concern. "Grave violations of human rights should not be regarded as interference in internal affairs," Matsunaga said.

The speech by the former Japanese ambassador to Washington placed Tokyo firmly behind the U.S. and Europe, which have been pushing for an international code on human rights. China, Indonesia and other nations from Asia and the Middle East have countered that the West should not attempt to impose its concept of human rights on the entire world, insisting that it would interfere with a nation's domestic sovereign affairs.

Matsunaga also suggested that aid for development must contribute to the promotion of protecting human rights, indicating that Tokyo will consider human rights policies and a nation's democratic condition when providing

official economic assistance. He appealed to Asia to address human rights issues on a regional basis.

'Source': IMF Aid to Russia To Begin Before Summit

*OW1906065193 Tokyo KYODO in English 0612 GMT
19 Jun 93*

[Text] Tokyo, June 19 KYODO—The International Monetary Fund (IMF) will provide the first disbursement of aid to Russia before the Group of Seven (G-7) industrial nations hold a summit in Tokyo in early July, a Japanese Foreign Ministry source said Saturday [19 June]. The source said the disbursement of 1.5 billion dollars will come from a new IMF fund, known as the systemic transformation facility (STF).

The STF, with funds of up to 3 billion dollars, was the centerpiece of an aid package for Russia worked out at a G-7 meeting in April in Tokyo to help its transition to a market economy. There had been speculation that the first disbursement could be delayed until after the summit because of lack of agreement between the IMF and Russia over price control targets and other problems in Russia.

The United States, however, urged that the first disbursement be given early to support Russia, the source said. The news about the STF disbursement to Russia coincided with an agreement in New York among the G-7 nations to set up a fund to help Russia privatize its state-owned industries.

Japan**Miyazawa Against SDPJ-Led Coalition Government***OW2106063993 Tokyo KYODO in English 0557 GMT 21 Jun 93*

[Excerpt] Tokyo, June 21 KYODO—Prime Minister Kiichi Miyazawa lashed out Monday at the prospect of the Social Democratic Party [of Japan—SDPJ] (SDP) being part of a coalition government because of its "unrealistic" policies in defense, energy and foreign affairs.

The disgraced prime minister, in a speech at a ceremony to set up the election headquarters of the ruling Liberal Democratic Party (LDP), said, "I'm not able to leave Japanese politics to Japan's largest opposition party." Miyazawa, also LDP president, said the SDP has unacceptable policies on relations with South Korea, the Self-Defense Forces (SDF) and nuclear power stations.

SDP leaders have said the party is willing to form a coalition with breakaway groups from the LDP after the election that may be capable of forming a government. The SDP has long favored the North Korean Government in its Korean policy, described the SDF as unconstitutional and opposed nuclear power, but has recently moved to moderate such stances.

The LDP headquarters have been established two days earlier than scheduled to fight the most serious challenge ever to the party's decades-long grip on power in the July 18 general election because of defections. [passage omitted]

Yamahana Supports Hata for Prime Minister*OW2106052093 Tokyo KYODO in English 0448 GMT 21 Jun 93*

[Text] Tokyo, June 21 KYODO—The leader of Japan's biggest opposition party said Monday he is positive about backing ruling party rebel Tsutomu Hata as a candidate for prime minister after the coming general election. Social Democratic Party [of Japan—SDPJ] (SDP) Chairman Sadao Yamahana made the remark at an extraordinary meeting of the party's Central Executive Committee, saying, "We will aim to field a candidate whom reformist forces can unanimously support."

The No. 5 faction within the governing Liberal Democratic Party (LDP) led by Hata voted with the opposition in a no-confidence motion against the cabinet of Prime Minister Kiichi Miyazawa last Friday. The House of Representatives was dissolved for a snap election on July 18 after two weeks of campaigning.

The Hata faction plans to launch a breakaway party Wednesday in a move that will emasculate the LDP in unbroken power since 1955. Ten of 11 other LDP legislators who quit the party Friday will also form a new party Monday afternoon.

Yamahana's remark came a day after SDP Secretary General Hirotaka Akamatsu said in a television program that Hata is one choice of anti-LDP forces for prime minister. The SDP chairman also sought cooperation in stepping up efforts to forge a coalition government and select a candidate for the premiership.

The Diet passage of the no-confidence motion against Miyazawa's cabinet came after he failed to live up to his oft-stated pledge to enact political reform legislation aimed at overhauling the electoral system and tightening curbs on political funding.

Yamahana Aims for 'Reformist Forces' Government*OW2106115693 Tokyo KYODO in English 1102 GMT 21 Jun 93*

[Text] Tokyo, June 21 KYODO—The head of Japan's biggest opposition party said Monday he aims to pull together reformist forces, including a group led by ruling party rebel Tsutomu Hata, to establish a government that can achieve political reform.

Social Democratic Party [of Japan] (SDP) [SDPJ] Chairman Sadao Yamahana made the remark at a meeting of representatives from SDP prefectural branches.

In a break from the past, he said the SDP wants to join forces not only with opposition parties but get the cooperation of rebels from the ruling Liberal Democratic Party (LDP) as well as those who are planning to leave and others who will stay but want reform.

Previously, Yamahana would only have wooed opposition parties such as Komeito, the Democratic Socialist Party (DSP), the United Social Democratic Party (USDP), the Japan New Party and the Democratic Reform Party, formerly known as Rengo Sangiin.

Yamahana said that under a coalition government, the SDP would break from its party policy and back the diplomatic and defense policies of the current administration.

He said it is important to maintain continuation of government policy because of Japan's standing in the world.

Yamahana indicted to back Hata as a candidate for prime minister after the coming general election, saying, "We will aim to field a candidate whom reformist forces can unanimously support," he said.

The No. 5 faction within the LDP led by Hata voted with the opposition in a no-confidence motion against the cabinet of Prime Minister Kiichi Miyazawa last Friday.

The House of Representatives was dissolved for a snap election July 18 after two weeks of campaigning.

The Hata faction plans to launch a breakaway party Wednesday in a move that will emasculate the LDP in unbroken power since 1955.

In a related move, USDP leader Satsuki Eda told a news conference in Okayama Prefecture that Hata is "one of the important choices" for the position of prime minister. But DSP Chairman Keigo Ouchi pounced on the idea, saying it is "nonsense" to name someone before the election.

He was also negative about Yamahana's proposal to establish a government that could achieve political reform. He said there are many other far more important issues to resolve.

Japan: Former Liberal Democrats Form New Party

OW2106090193 Tokyo KYODO in English 0841 GMT 21 Jun 93

[Excerpt] Tokyo, June 21 KYODO—A group of 10 former Liberal Democratic Party (LDP) legislators announced Monday the formation of a new political party following the government's defeat in a no-confidence motion last week.

At a news conference at a Tokyo hotel, the group announced it would run in the July 18 House of Representatives election under the party name of "Sakigake" (Harbinger).

The group is spearheaded by former LDP House of Representatives legislator Masayoshi Takemura, 58, who has served in the LDP's secretariat for political reform.

In announcing the new party's policy platform, the group told reporters it would strive to restore public trust in politics following an endless series of bribery and gangster scandals involving LDP legislators. [passage omitted]

New Head Interviewed on Formation

OW220104393 Tokyo NHK General Television Network in Japanese 1010 GMT 21 Jun 93

[From the "NHK News 7" program]

[Text] Now, I, together with correspondent Kageyama of the NHK Political Department, would like to ask some questions of Mr. Takemura, head of the new political party Sakigake.

[NHK Anchorman Tabata] Mr. Takemura, before you became a dietman, you served as the governor of Shiga Prefecture. In the Liberal Democratic Party [LDP], you served as the secretary-general of the Political Reform Promotion Office of the LDP. Mr. Takemura, I have heard that you decided to leave the party much earlier. What is the main reason for creating a new political party?

[Takemura] There are two reasons: My understanding of the current era and the scrapping of political reform. When the Berlin Wall was destroyed and the Soviet Union collapsed, I came to realize that the West-East cold-war had ended and felt that Japan's political structure—conservative-reformists confrontation between the LDP and the Social Democratic Party of Japan [SDPJ]—would also end in line with the end of the cold-war. I encountered a series of political scandals which have proved that the LDP, as well as the Diet itself, lacks self-cleansing ability. I, as secretary-general of the LDP's Political Reform Promotion Office for nearly five years, tried to solve those issues. But this time, our efforts were abandoned. It can be said that because of such a situation, I, together with nine other colleagues, decided to leave the party rather than continuing to make efforts within the party, and now we have come to risking our political lives for the task of creating new politics under a new political environment.

[Kageyama] Mr. Takemura, under the new party, how do you fight in the coming general election, and are you planning to put up candidates other than party members?

[Takemura] Frankly speaking, we decided to form a new party just two days ago because of the unexpected, abrupt dissolution of the lower house, and at this point, we are not ready to field other candidates. We left the party a few days ago. Today, we have just inaugurated our new party with our own ideas and policies. This is what we have been able to do up to today. From now, we want to work out our strategy for the election. But our primary goal is for all of our party members to be returned to the Diet.

[Kageyama] I see. Some have already started discussing the regrouping of the political circles after the election. At a news conference today, you said you have a friendship with New Japan Party [NJP] head Hosokawa. Now, I would like you to listen to what he said in our recorded interview with him.

[Takemura] Sure.

[Begin Hosokawa recording] I think his political party is a group of ambitious politicians who are bound together by mutual confidence. I personally hope we will be able to work together in the future. Although I do not know when, I hope we will be able to cooperate with each other some time after the election. [end recording]

[Kageyama] Mr. Takemura, he said that he hoped to work together with your party in the future. Are you planning to cooperate with the JNP in fighting the coming election and do you plan to hook up with the JNP?

[Takemura] I was pleased to hear his remarks, thank you. Well, when Mr. Hosokawa launched his party last year and gave impetus to the move toward political reform, I was one of those who welcomed his action. Although we were in different positions, I hoped that he would make

efforts to achieve his goal. In particular, because we came to know each other and became good friends by holding workshops when we were serving as governors, I, personally, have always hoped he would achieve his goal. However, since I have just upheld an idea together with my colleagues, there is no connection between our party and the JNP so far. I want to give full study to whether our party can cooperate with the JNP.

[Kageyama] In addition, I want to ask about your party's relations with the members of the Hata faction who are planning to leave the LDP to form a new party. Do you have any plan to cooperate with the Hata faction?

[Takemura] I think the members of the Hata faction will take similar action as our party. Because Mr. Hata, who shares common views on political reform with our group, has tackled the issue of political reform, I strongly feel a sense of intimacy with him. However, I think that feeling like new men, what we have to do now is to put a period to our past relations with the LDP to establish a new political structure. In this sense, although I am not thinking of tying up with the Hata faction so far, I want to watch the Hata faction's future moves while feeling sympathy toward it.

[Kageyama] This is my last question. I think depending on the results of the election, the LDP may ask your party for cooperation. What would you do if the LDP takes such action?

[Takemura] Well, I am not ready to give a clear answer to this question. Since the LDP is a group wherein we engaged in political activities with other LDP members until yesterday, I have sympathy with the LDP members. However, today, our members have confirmed our position not to return to the party. I want to deal with such a possibility depending on future situations while making a clear distinction between our party's basic policy and that of the LDP.

[Tabata] Thank you very much, Mr. Takemura.

Dissident Members of LDP Secede; Plan New Party

OW2206072393 Tokyo KYODO in English 0712 GMT
22 Jun 93

[Text] Tokyo, June 22 KYODO—Forty-four dissident members in the ruling Liberal Democratic Party (LDP) quit on Tuesday to form a new party. Former Finance Minister Tsutomu Hata led the group in delivering a letter of secession to LDP Secretary General Seiroku Kajiyama at party headquarters.

The dissident faction will hold a ceremony on Wednesday to inaugurate the new party.

Prime Minister Kiichi Miyazawa dissolved the lower house on Friday after failing to survive a no-confidence motion. Thirty-nine dissident LDP members, including 34 from Hata faction, joined with the opposition to support the no-confidence vote.

The faction plans to field about 100 candidates in the July 18 general election.

Move 'Finalized' Faction's Split

OW2206084893 Tokyo KYODO in English 0829 GMT
22 Jun 93

[Text] Tokyo, June 22 KYODO—Former Finance Minister Tsutomu Hata, leader of a revolt that has plunged the government in crisis, resigned with 43 party members Tuesday to form his own political party, officials said.

The move by Hata, whose faction voted with the opposition in Friday's no-confidence vote against Prime Minister Kiichi Miyazawa's cabinet, followed a similar decision Monday by 10 former House of Representatives members. They formed a new political party under the name of "Sakigake (Harbinger)."

Hata, cofounder of the fifth-largest faction in the Liberal Democratic Party (LDP), handed over the 44 letters of resignation to LDP Secretary General Seiroku Kajiyama at party headquarters in Tokyo's Nagatacho, the hub of Japanese power.

The 44 politicians include 43 faction members—35 former lower house legislators and eight House of Councillors legislators. Former Health and Welfare Minister Tatsuo Ozawa also joined the renegade group.

They will hold an inauguration ceremony on Wednesday afternoon to mark the formation of a new political party.

The move finalized the faction's split from the LDP, whose 38 years of unbroken rule is in jeopardy amid public furor over a series of bribery and mobster scandals involving LDP politicians.

Japan is to vote in a general election to select the 511 members of the lower chamber on July 18.

Depending on the outcome of the July ballot, Hata could assume the premiership. Several opposition party leaders have pledged to help Hata form a coalition government to achieve political reform.

Miyazawa said Tuesday that differences in policy among the opposition parties differ too much for them to form a coalition government without LDP members.

"The policies of the Social Democratic Party are very different from those of other parties," he told reporters.

Defense Agency Chief Toshio Nakayama, meanwhile, expressed concern at a news conference over security policy if a coalition government was established.

"After seeing debates in the Diet, the Social Democratic Party has not changed in the past 10 years. If such a group takes power, I am anxious about what defense policy and regional security will be," he said.

But Labor Minister Masakuni Murakami told reporters, "There is a possibility the LDP will break up again after the general election. If the party loses the election, it should hand over power to the opposition."

Sadao Yamahana, head of the No. 1 opposition Social Democratic Party, told a meeting of SDP top executives on Monday that Hata is a "candidate whom reformist forces can unanimously support."

Satsuki Eda, leader of the minor United Social Democratic Party, described Hata as "one of the important choices" for prime minister. But Democratic Socialist Party Chairman Keigo Ouchi dismissed their remarks as "nonsense," saying it is premature to name someone as a possible prime minister before the election results.

The Hata group plans to field more than 100 candidates by recruiting over 60 former Dietmen and newcomers to run under its banner, officials said.

The LDP held the majority of 274 seats in the powerful lower house when it was dissolved last Friday.

In a related development, the representatives of five LDP factions agreed to field "more than 280 candidates" for the upcoming election in a bid to secure a majority in the lower chamber, LDP officials said. The five faction leaders are Hiroshi Mitsuzuka, Michio Watanabe, Keizo Obuchi, Yoshiro Tazawa, as well as Toshio Komoto.

They pledged to put aside past intrafaction rivalry and cooperate to defeat opposition forces and the two groups that seceded from the LDP.

The only dropout from Hata's joint secessionist move was upper house member Seiji Otsuka, an original member of the faction that Hata founded last December 18.

The secession took place four days after the Diet voted down Miyazawa in a vote for the no-confidence motion. The Hata faction played a pivotal role in ensuring passage of the motion filed by opposition parties and passed by a margin of 35.

As a result, Miyazawa was forced to dissolve the lower house.

Thirty-four of the faction's 35 lower chamber legislators voted for the motion, while the remaining one, Morio Kimura, abstained.

However, Kimura was among those who defected Tuesday.

Last December, Hata teamed up with his main ally Ichiro Ozawa, a former LDP secretary general, in co-founding his own faction by recruiting 43 of 109 members of the then largest LDP's faction, founded by former Prime Minister Noboru Takeshita.

The Takeshita faction split up after its chairman Shin Kanemaru was forced to give up his parliamentary seat

and post of chairman last October due to public rage over his involvement in the Tokyo Sagawa Kyubin money-and-mob scandal.

Miyazawa Criticizes Non-LDP Coalition Plan

OW2206065993 Tokyo KYODO in English 0642 GMT 22 Jun 93

[Text] Tokyo, June 22 KYODO—Prime Minister Kiichi Miyazawa said Tuesday that the policies of opposition parties differ too much to allow them to form a coalition government excluding the Liberal Democratic Party (LDP) after the July 18 general election.

"Policies of the Social Democratic Party [of Japan] are very different from those of other parties," he told reporters.

Defense Agency Chief Toshio Nakayama, meanwhile, expressed concern at a press conference over security policy if a coalition government was established.

"After seeing debates in the Diet, the Social Democratic Party [of Japan] has not changed in the past 10 years. If such a group takes power, I am anxious about what defense policy and regional security will be," he said.

Labor Minister Masakuni Murakami, however, told reporters, "There is a possibility the LDP will break up again after the general election. If the party loses the election, it should hand over power to the opposition."

Saito To Become Vice Finance Minister

OW2106124693 Tokyo KYODO in English 1218 GMT 21 Jun 93

[Text] Tokyo, June 21 KYODO—Finance minister Yoshiro Hayashi on Monday reached a tentative decision on a key personnel shakeup which involves the appointment of Jiro Saito as new vice finance minister to succeed Mamoru Ozaki, who will retire.

The reshuffle is subject to approval by the cabinet on Friday.

Kyosuke Shinozawa, deputy vice minister, was picked as director general of the Budget Bureau to succeed Saito.

Takeshi Komura, deputy vice minister of the Economic Planning Agency, was informally named to succeed Shinozawa.

Eisuke Hamamoto, director general of the Tax Bureau, was selected as director general of the National Tax Administration Agency, succeeding Masaaki Tsuchida, who will retire.

Tadashi Ogawa, director general of the Securities Bureau, will become director general of the Tax Bureau.

Sohei Hidaka, deputy vice minister for Policy Coordination, will (?take) the post of director general of the Securities Bureau.

Koji Tanami, deputy director general of the Tax Bureau, was picked as deputy vice minister for Policy Coordination.

Miyazawa Names Takatori, Watanabe as Ministers

OW2106084093 Tokyo KYODO in English 0753 GMT 21 Jun 93

[Text] Tokyo, June 21 KYODO—Prime Minister Kiichi Miyazawa decided Monday to name two former lower house legislators of the ruling party to head the Economic Planning Agency (EPA) and the Science and Technology Agency, government sources said.

Osamu Takatori, 64, will become EPA director general and Shoichi Watanabe, 63, will head the science agency, the sources said.

Their predecessors, Hajime Funada of the EPA and Mamoru Nakajima of the science agency, resigned Friday in protest against Miyazawa's dissolution of the House of Representatives before he failed to survive a no-confidence vote.

Takatori and Watanabe, former legislators of the Liberal Democratic Party (LDP), will be formally appointed to the posts of ministers of state in a cabinet meeting Tuesday, the sources said.

Their terms of office expire when the Diet is convened after the July 18 general election. The Diet will sit within 30 days of the poll.

Takatori, former chief of the Management and Coordination Agency, has been elected eight times from Niigata No. 4 electoral district. He is a member of the LDP's Obuchi faction.

Watanabe has been elected five times from Hokkaido No. 4 electoral district and belongs to the Miyazawa faction. He has served as a parliamentary vice minister for the Home Affairs Ministry and the Hokkaido Development Agency.

68.3 Percent 'Did Not Expect' Political Reform

OW2206085493 Tokyo KYODO in English 0826 GMT 22 Jun 93

[Text] Tokyo, June 22 KYODO—Nearly 70 percent of a group of eligible voters polled by KYODO NEWS SERVICE in Tokyo say that, from the beginning, they did not expect political reform to be realized from the just-completed Diet session.

Results of the survey, conducted on 1,000 persons over the weekend and released Tuesday, show 29.3 percent of the respondents, or 293 people, were "disappointed" at the shelving of the political reform scheme.

But 683 people, or 68.3 percent, said they had not expected reform to be achieved during the Diet session from the start.

The survey also showed that 10.7 percent of the respondents plan to vote for the ruling Liberal Democratic Party (LDP) in the July 18 general election.

The Japan new party followed with 6.5 percent, while 5.2 percent said they plan to vote for the nation's largest opposition party, the Social Democratic Party (SDP).

Komeito followed the SDP at 5.0 percent, the Japanese Communist Party at 3.2 percent and the Democratic Socialist Party at 1.2 percent.

Among those who said they plan to vote for other parties, 1.6 percent cited the new political party which is expected to be formed by LDP rebel and former Finance Minister Tsutomu Hata, according to the survey.

Concerning the June 27 Tokyo Metropolitan Assembly election, 79.9 percent of the respondents said they will cast their ballots taking into account the problems of political reform. The two-day survey was conducted on men and women aged between 20 and 79 who are living in Tokyo.

Mori Views Impact of Political Turmoil on Talks

OW2206044893 Tokyo KYODO in English 0441 GMT 22 Jun 93

[Text] Tokyo, June 22 KYODO—International Trade and Industry Minister Yoshiro Mori said Tuesday [22 June] the current political confusion in Japan is unlikely to have a negative impact on quadrilateral trade talks opening here Wednesday.

"Japan's politics are in disarray over what to do with political reforms but there is no big disagreement in Japan on its trade policy," Mori told a press conference after the day's cabinet meeting.

Trade negotiators from Japan, the United States, the European Community (EC) and Canada will get together for two-day talks as part of efforts to move the stalled Uruguay Round trade talks forward to an early conclusion.

Mori indicated market access agreements on such issues as tariff reductions for Japanese processed farm products and U.S. textile products will not come out during the forthcoming Tokyo meeting.

Each party inclines to refrain from making strong commitment in these issues because they want to hold them as bargaining cards for future talks of difficult issues, such as opening the rice market in Japan, Mori said.

Tanahashi Expects No Major Trade Compromise

OW2106083693 Tokyo KYODO in English 0808 GMT 21 Jun 93

[Text] Tokyo, June 21 KYODO—Japan will not make any significant compromise on tariff cuts on leather and agricultural products when trade ministers from four

major economic powers meet here later this week, a top Japanese trade official said Monday.

"It is not desirable to leave an issue unsolved, but it's hard to resolve an issue that requires a political decision," said Yuji Tanahashi, vice minister of international trade and industry, at a press conference.

Trade ministers from Canada, the European Community, Japan and the United States will get together in Tokyo on Wednesday and Thursday in a bid to bring the stalled Uruguay Round of global trade talks to a successful conclusion by the end of this year.

Kono Says Tokyo 'Will Adhere' to Summit Pledges

*OW2206050293 Tokyo KYODO in English 0435 GMT
22 Jun 93*

[Text] Tokyo, June 22 KYODO—Japan assured its counterparts at the July 7-9 Tokyo summit that it will adhere to any pledges made at the annual meeting of seven industrialized nations, despite looming political uncertainties in the face of the July 18 general elections.

"If any countries are worried, I would like to say they need not be. Our foreign policy and economic policy will not change," Chief Cabinet Secretary Yohei Kono said.

"We will execute any promises," government spokesman Kono told a news conference, adding that Japan will give full attention to making the summit a success.

The meeting to be attended by leaders of Britain, Canada, France, Germany, Italy, Japan and the United States is slated to open here four days after the official start of the campaign for the 511-member House of Representatives.

Japanese voters are widely expected to use the poll to end the ruling Liberal Democratic Party's uninterrupted 38-year control of the government.

The election, called after a no-confidence vote over Prime Minister Kiichi Miyazawa's failure to enact legislation aimed at routing political corruption and a revolt from within the LDP, has elicited concern from G-7 partners that Japan will be unable to cope with important issues, including economic ones.

Responding to a comment by U.S. President Bill Clinton on the urgency of addressing bilateral trade disputes, Kono downplayed anxiety about possible policy stalemates.

"It is necessary for us to clearly set forth how we will fulfill our role in the international community. On this point there is absolutely no need to be concerned," Kono said.

Meanwhile, a senior government official said that it may be advantageous for Japan to take "short-term losses" in resolving trade disputes with the U.S. in order to reap long-term benefits of a healthy relationship.

In radio interviews Monday, Clinton said that Japan would have to open its markets to U.S. imports and stimulate its economy no matter who becomes prime minister. Clinton also said the fall of Miyazawa's government may pose a "challenge" to G-7 summit meeting.

Tokyo To Ask Germany To Lower Interest Rates

*OW2206090393 Tokyo KYODO in English 0836 GMT
22 Jun 93*

[Text] Tokyo, June 22 KYODO—Foreign Minister Kabun Muto said Tuesday that Japan will ask Germany at next month's Group of Seven (G-7) summit to lower its interest rates to help recover the global economy.

"German rates are high. It is necessary to bring them down in light of international policy coordination. I'll say this at the summit," Muto said in a speech at a symposium.

Muto's remarks suggest an economic declaration to be issued at the July 7-9 summit hosted by Japan in Tokyo may include a call on Germany to push its rates down. The G-7 groups Britain, Canada, France, Germany, Italy, Japan and the United States.

The Deutsche Bundesbank, Germany's central bank, last cut its official discount rate in April, bringing it down to 7.25 percent per year.

The United States has also been exerting pressure on Germany to cut interest rates to help bring a global economic recovery, but Germany has been reluctant to do so in fear of inflation.

In other remarks at the symposium, Muto said Japan will urge the U.S. to slash its budget deficit and raise taxes at the summit because the deficit is a major factor behind their bilateral trade imbalance.

Hayashi Regrets Economic Uncertainties

*OW2106091693 Tokyo KYODO in English 0859 GMT
21 Jun 93*

[Text] Tokyo, June 21 KYODO—Finance Minister Yoshiro Hayashi expressed his regret on Monday over economic uncertainties resulting from the current political situation.

Addressing a meeting of the Federation of Bankers Associations of Japan, Hayashi also said he feels responsible in some way for the political turmoil following Prime Minister Kiichi Miyazawa's decision last week to dissolve the House of Representatives for a general election.

He also said public concern over Japan's financial system has largely been addressed, with bailout programs being implemented for some troubled housing loan companies and nonbank financial institutions.

Planning Agency Says Economy Bottomed Out*OW2206055093 Tokyo KYODO in English 0522 GMT
22 Jun 93*

[Text] Tokyo, June 22 KYODO—A set of government key economic indicators on Tuesday confirmed that Japan's economy has hit the bottom of its downturn.

The diffusion index of leading indicators stood at 70.0 percent in April, staying above the "boom or bust" threshold of 50 percent for four months in a row, the Economic Planning Agency said.

The coincident index, which shows the current state of the economy, came to 61.1 percent, surpassing 50 percent for the third consecutive month. Economists contend that if the coincident index stays above 50 percent for three straight months, the month before that three-month stretch is the bottom of an economic slowdown.

"Basic movements of the key economic indicators show the economy is bottoming out," said an economist at the agency.

The lagging index, which represents business conditions in the past few months, stood at 8.3 percent, compared with 50.0 percent in March.

Mongolia**President Takes Oath of Office 18 Jun***LD1806143193 Moscow ITAR-TASS World Service in
Russian 0849 GMT 18 Jun 93*

[Text] Ulaanbaatar, 18 Jun—"I promise to guard Mongolia's independence, freedom, and national unity and the rights of the people, and to adhere strictly to the country's Basic Law in order to achieve this goal." Mongolian President Punsalmaagiyn Ochirbat made this statement today at a solemn ceremony in which he took the oath. He was elected head of state in the first general election with direct and secret voting on 6 June.

P. Ochirbat said Mongolia remained faithful to its current foreign policy which is based on observing the norms of international law and the principles of national and mutual advantage. The country remains open to cooperation with all countries of the world, he said.

The president links stepping up Mongolia's foreign political activities primarily to the need to overcome the social crisis and stabilize the country's economy. In his words, Mongolia is going to use only political methods to strengthen its independence and national security. With this goal in mind, the country's armed forces will be reduced by 16 percent, he said.

President To Cut Armed Forces by 10 Percent*OW1806092993 Tokyo KYODO in English 0906 GMT
18 Jun 93*

[Text] Ulaanbaatar, June 18 KYODO—Newly reelected Mongolian President Punsalmaagiyn Ochirbat said Friday [18 June] he will cut the nation's armed forces by 10 percent. Ochirbat, who won the country's first direct presidential election June 6, announced the reduction in response to prevailing detente in an inaugural speech, but did not give specific figures.

Mongolia has some 25,000 troops, primarily deployed to guard its border with China. Ochirbat also said his foreign policy will put more emphasis on keeping friendly relations with all nations on five basic rules of peace and cooperation.

Prime Minister Leaves for Visit to U.S.*LD1406041193 Moscow ITAR-TASS World Service in
Russian 0300 GMT 14 Jun 93*

[By ITAR-TASS correspondent Dugar Sanzhiyev]

[Text] Ulaanbaatar, 14 Jun—Mongolian Prime Minister Puntsagiyn Jasray left today on a 10-day working visit to the United States.

His first foreign visit as head of the government formed last autumn includes taking part in a Mongolian-American symposium on bilateral cooperation, and meetings with representatives from the country's business circles, congressmen, and U.S. Secretary of State Warren Christopher. Apart from this, P. Jasray is planning to discuss prospects for mutual cooperation with leaders of the International Monetary Fund, the World Bank, and other currency and credit organizations that are supporting the process of democratic transformations in Mongolian society and the liberalization of the national economy on the path toward market relations.

The Mongolian premier intends to report on the latest steps in this direction taken by his government and the country's parliament. In particular, he intends to give details of the recently adopted law on foreign investments, which is stimulating an influx of outside capital in complete accordance with the open economic policies now being pursued with all countries of the world.

He will inform the American partners of the first nationwide elections of the head of state, which were held on 6 June. The majority of voters voted for current President Punsalmaagiyn Ochirbat, and this, in the opinion of local and foreign observers, shows convincingly the nationwide support for the present policies of the state whose aim is to ensure rights and freedoms of the individual in the country and to establish democracy and a market economy.

North Korea

Nonaligned Meeting Continues in Pyongyang

Pakistani Delegate on Kashmir Issue

BK1906114093 Islamabad Radio Pakistan Network in English 1100 GMT 19 Jun 93

[Text] Pakistan has voiced its concern over the reign of terror let loose by the Indian security forces on innocent Kashmiris. The concern was made by the leader of the Pakistani delegation, Senator Safi Iqbal, while speaking at the NAM [Nonaligned Movement] conference of information ministers at Pyongyang. He referred to the violations of human rights documented by the Indian as well as the international human rights groups. How could peace prevail in South Asia if India continues to deny the right of self-determination to the people of Kashmir, he asked.

Syed Safi Iqbal also referred to the sufferings of the Bosnian Muslims and said immediate steps must be taken to alleviate their sufferings.

Iraqi Official on Media 'Imbalance'

JN2006203493 Baghdad Republic of Iraq Radio Network in Arabic 1800 GMT 20 Jun 93

[Text] Latif Nusayyif Jasim, adviser in the Presidential Office, has asserted that to reach a sound decision on the seriously unbalanced situation in the media there must be an equally serious analysis of all aspects, causes, and results of this imbalance.

Addressing the fourth conference of the information ministers of the nonaligned states [in Pyongyang], Latif Nusayyif Jasim, who is heading Iraq's delegation to the conference, called for a coordinated effort to confront the growing danger that will spare no country. He called on all of the movement's countries to draw up a future working plan to promote media and cultural cooperation among the nonaligned countries. He explained that since the third conference of the nonaligned countries' information ministers in Havana in 1990, the world has witnessed numerous and ever-quicker developments in the media and telecommunications area.

He added that these developments have imposed additional challenges on the movement in the vital media sector, pointing out that the reaction from the non-aligned countries, as a group or individually, has not been able to respond to these challenges. This, he said, has allowed states possessing these advanced means to use them to secure their cultural, intellectual, political, and social hegemony over the developing countries.

He added that these countries have used their huge media machines to spread their selective and double standards and their unfair policies. They have used them to exploit the mechanism of international legitimacy in the service of their narrow political interests at the

expense of the interests of the international community and the principles of justice stipulated in the UN Charter.

He noted that the unjust campaign against Iraq included the use of Western media organs as one of its principal tools. He pointed out that during the war, the United States and its allied colonialist states used their huge media machine and are still using it to present a distorted and negative picture of Iraq, its history, its people, and its leadership. The machine, he said, is continuing to fabricate and invent stories and rumors to mislead world public opinion and convince it that these countries' campaign against Iraq is justified because they defended right and justice.

Daily: Legacies of Cold War 'Must Be Liquidated'

SK2206104693 Pyongyang KCNA in English 1004 GMT 22 Jun 93

["Cold War Legacies Must Be Cleared Away: NODONG SINMUN"—KCNA headline]

[Text] Pyongyang, June 22 (KCNA)—If an independent new world desired by mankind is to be built, the left-overs of the Cold War must be liquidated at the earliest possible date and all the attempts to turn back the current of history to the past be checked, says NODONG SINMUN today.

Noting that the old forces trying to dominate the world with strength against the trend of independence still remain, though the Cold War came to an end, and they are resorting to more dangerous manoeuvres, the author of the article says:

What is most important in clearing away the legacies of the Cold War is to fight against the dominationist forces. Without a struggle against these forces, no nation can be free and no country can defend its sovereignty and the international community cannot be democratised.

Highly important is the role of the Nonaligned Movement (NAM) in doing away with the left-overs of the Cold War and democratising the international community.

The NAM must continue to be developed since there remain on the globe the dominationist forces seeking domination and interference, aggression and looting and the idea of this movement has not yet been realised. And it must be further expanded in strength as the leading forces for the building of an independent new world.

The main point in this is to invariably defend the basic idea and principle of the NAM to which independence is vital.

It is essential for the non-aligned countries to remain true to the idea and principle of the movement, not wavering under any complex situation and to fight relentlessly against the attempt to deviate the movement from its original track.

The preferential task in expanding and developing the NAM is to strengthen its unity and cohesion.

Declaring that it is the immovable foreign policy of the Democratic People's Republic of Korea to unite and closely cooperate with all other nam countries under the banner of independence, peace and friendship, the article says:

The Korean people will make energetic efforts in the future, too, for the strengthening and development of the NAM and the accomplishment of the cause of global independence.

KCNA Reports 18 Jun U.S. 'Aerial War Exercise'

*SK2006085193 Pyongyang KCNA in English 0815
GMT 20 Jun 93*

[Text] Pyongyang, June 20 (KCNA)—Formations of Japan-based "NA-18" pursuit-assault planes belonging to the Marines of the U.S. imperialist aggression forces staged a frantic exercise of surprise strike at ground targets in the skies above Sangdong area, South Korean Kangwon Province, on June 18, according to military sources.

On the same day a Guam-based "KC-130" refueling tanker of the U.S. Forces refuelled in the mid-air scores of fighter-bombers in an aerial war exercise in the skies above the Yongdong area, North Chungchong Province.

That day an "EH-60" electronic warfare helicopter of the U.S. forces which was flown to the sky above the Military Demarcation Line committed electronic espionage on the frontline area of our side, making a low altitude flight for long hours in the skies above Tongduchon and Kanghwa Island.

KCNA Denounces South's '93 Ulchi War Exercise

*SK2206052493 Pyongyang KCNA in English 0425
GMT 22 Jun 93*

[Text] Pyongyang, June 22 (KCNA)—South Korean "Prime Minister" Hwang In-song blared that the "93 Ulchi" war exercise is a powerful "exercise to provide for a state emergency" since the appearance of the "civilian government".

This, a bellicose outcry inculcating northward invasion, is a criminal act against the DPRK which aggravates tension on the Korean peninsula and fosters confrontation between the North and the South.

The unhesitating outcry of the South Korean authorities proves that the present "civilian government" is, in essence, the bellicose fascist "regime". Hwang In-song said that the military exercise would attach importance to practising the will for powerful state security.

His utterances are nothing but a cunning trick to cover up ambition for invading the North. We have no choice but to pay due attention to his outcry fraught with a

grave danger which may cause an unpredictable confrontation between the North and the South. The South Korean authorities must give up their foolish delusion to "control" somebody with "strength", being hostile to the fellow countrymen.

Exercise Further Denounced

*SK2006085093 Pyongyang KCNA in English 0812
GMT 20 Jun 93*

[Text] Pyongyang, June 20 (KCNA)—The South Korean authorities are scheming to stage a war exercise code-named "Ulchi 93" drill against the North next week, a Seoul-based radio reported.

This was disclosed by South Korean "Prime Minister" Hwang In-song on June 18.

It is an act of aggravating the situation on the Korean peninsula and a challenge to the efforts of the Korean people to reunify the country with the great unity of the whole nation.

Papers Criticize South's Actions Against Journalist

*SK1906083493 Pyongyang KCNA in English 0555
GMT 19 Jun 93*

["Papers Slam S. Korean Authorities' Gag on the Press"—KCNA headline]

[Text] Pyongyang, June 19 (KCNA)—The South Korean authorities recently arrested Chong Chae-hon, a reporter of CHUNGANG ILBO, after he published a report to the effect that the "defence minister" had been banned from foreign trip in connection with the corruption in the upper quarters of the puppet army.

Papers here today denounce this as a high-handed outrage of those holding the sword by the hilt and as a prelude to a fascist offensive to check the activities of the progressive journalists and place the press under the control of the "government".

A NODONG SINMUN analyst says:

As for the "misinformation" in question, Chong Chae-hon is not directly responsible for it because he reported it after he obtained the "list of the names of those who are banned from going abroad" and confirmed it at the "ministry of justice" and "board of inspection". And CHUNGANG ILBO, sensing the mistake, promptly canceled the report and issued a correction with words of apology.

Nevertheless, the present authorities, who advertise "civilian politics" and "reform" as monks chant the buddhist scripture, are unhesitatingly cracking down upon the newspaper and its journalists for the mere reason of "misinformation". This act is, in essence, little different from the fascist repression of the press by the former dictators.

The South Korean authorities must not follow in the blood-stained footsteps of the former dictatorial "regimes" which violated at the point of the bayonet the freedom of the press and all other democratic rights and freedom of the people.

MINJU CHOSON says that if the South Korean authorities truly seek "civilian politics", they must stop their fascist repression intended to subsidize the press, release the arrested reporter at once and refrain from obstructing the activities of the progressive pressmen.

Daily Berates ROK Defense Minister's Remarks

*SK2006085393 Pyongyang Korean Central
Broadcasting Network in Korean 0026 GMT 20 Jun 93*

[NODONG SINMUN 20 June commentary: "Insidious Attempt Aimed at Confrontation"]

[Text] At a meeting of all Army commanders, South Korean Defense Minister Kwon Yong-hae said that the North is increasing the tensions of the Korean peninsula and the like. He blared that the South will establish a perfect posture of military preparedness to cope with the North's so-called threat.

This is a challenge and provocation to us who are making every possible effort for peace and peaceful reunification of the country.

As the world knows, we recently presented the 10-Point Program for the Great Unity of the Whole Nation with the aspiration for the achievement the country's peaceful reunification at the earliest possible date and we are making all sincere efforts to realize it. We also made a new and remarkable proposal for exchanging envoys of both sides' leaders, which is an important proposal toward the denuclearization of the Korean peninsula and the country's peaceful reunification.

All of these sincere efforts we are making for the country's peaceful reunification are warmly supported and welcomed by the people at home and abroad. However, how on earth does Kwon Yong-hae view our peace-loving efforts for the reunification as military acts threatening somebody.

The absurd remarks by the head of the military circles, who fabricates nonsensical stories about us, show that although they are clothed with a civilian government and reforms, the South Korean authorities commit the same sins as the military dictators of the Fifth and Sixth Republics, who were pursuing the North-South confrontation and aggravating tensions.

If we are to say something about the forces that are increasing tensions on the Korean peninsula and threatening somebody, we can say that they are the antinational South Korean forces walking along the obsolete road of confrontation and war without paying attention to our efforts for the peaceful reunification.

It has recently been revealed that the South Korean authorities have been building a general joint training center of the puppet Army, Navy, and Air Force in Kangwon province for about ten years, aimed at an invasion of the North. Field firing exercises designed to attack us are being conducted every day and night at various firing ranges around Yonchon-up, Yonchon county, Kyonggi province.

Even at this moment, the South Korea puppet troops are running madly about aerial war exercise designed for a preemptive strike against the northern half of the Republic, forming an illicit connection with foreign forces. Everyone clearly understands that the gun-smelling war exercise aimed at the northern half of the Republic aggravates tensions on the Korean peninsula as well as severely threatens us.

Making a stir with us [urirul kolgodunungot] by those who are driving the situation of the country to the brink of war by waging war exercises against the North and extremely aggravating the tense situation is a shameless act like a thief raising a hue and cry. The South Korean authorities must discard its bad habit of reversing black and white and shifting responsibility onto another's shoulder.

The forcing of a quarrel upon us by Kwon Yong-hae over the talks between the United States and us is an insidious attempt to put the brake on the progress of DPRK-U.S. relations by aggravating the confrontation and tensions between the North and South. Fabrication and concoction, however, gets one nothing. The South Korean authorities must abandon the old concept of confrontation and have a righteous attitude of solving the issue concerning peace and peaceful reunification of the country with fellow countrymen.

Remarks Further Denounced

*SK2006091693 Pyongyang KCNA in English 0839
GMT 20 Jun 93*

["Sinister Scheme for Confrontation"—KCNA headline]

[Text] Pyongyang, June 20 (KCNA)—The South Korean "Defence Minister" told a recent "all army commanders meeting" that the North "is heightening tensions" on the Korean peninsula and blared that "a perfect posture of military preparedness should be established" to cope with its "threat".

This is a challenge to and provocation against the North which is making every possible sincere effort for the peace and peaceful reunification of the country, a news analyst of NODONG SINMUN says, and continues:

The outburst of the military boss engaging himself in preposterous fabrication against the North shows that, though the South Korean authorities are advertising "civilian politics" and "reforms", they are, in fact,

following in the criminal footsteps of the military dictators of the "fifth and sixth republics" who pursued North-South confrontation and the aggravation of tension.

As for the forces which are heightening tensions and "threatening" the other on the Korean peninsula, they are the anti-national forces of South Korea which are rushing as ever toward confrontation and war, persistently ignoring the North's efforts for peaceful reunification.

It is a shameless act of a thief crying "stop thief" for those who are bringing the situation of the country to the brink of war by staging war exercises against the North and extremely aggravating tensions to speak ill of us.

Kwon Yong-hae spoke ill of the North as regards its talks with the United States. This was motivated by the sinister intention to put the brake on the progress of the DPRK-U.S. relations by aggravating North-South confrontation and tension.

The South Korean authorities must give up the old concept of confrontation and take a correct stance of solving the problem of peace and peaceful reunification of the country by sitting together with fellow countrymen.

Daily Refutes ROK Minister's Talk on Human Rights

*SK2006092693 Pyongyang KCNA in English 0854
GMT 20 Jun 93*

[*"Shameless Jargon on 'Human Rights'"—KCNA headline*]

[Text] Pyongyang, June 20 (KCNA)—The South Korean "Foreign Minister" Han Sung-chu at the World Human Rights Conference a few days ago spun out mishmash about "human rights" and "freedom" and foolishly mumbled that "human rights have at last entered the stage of maturity" in South Korea.

Refuting this, NODONG SINMUN analyst today says:

Judging from the claim of Han Sung-chu that human rights "have at last entered the stage of maturity" in South Korea, he attempted to give the impression that the human rights situation in South Korea has rather improved under the present "regime" compared with the times of the "Yusin," the "Fifth Republic" and the "Sixth Republic." But this is useless.

Nothing has changed in South Korea, though the present "government" is making a hectic advertisement of "civilian government" and "reforms."

Only recently, the South Korean authorities brutally suppressed the righteous struggle of patriotic students and people of various strata demanding a probe into the

truth of the Kwangju incident and the punishment of the chief culprits and calling for reunification by letting loose riot police.

As if it were not enough, the South Korean authorities have totally banned rallies and demonstrations of students and have gone off into hysterics in their attempt to completely destroy the "Hanchongnyon" which called for independent North-South student talks, kicking up a row of all-out investigation and search and arrest of its leading members.

Do the South Korean authorities regard this as "ripe human rights" and "freedom"?

Those who sell off the sovereignty and dignity of the nation, fawning upon outside forces, and do mischiefs against fellow countrymen, hand in glove with them, and prolong their lives with reward for this, dare talk about human rights. This is the height of sarcasm.

If the present "regime" of South Korea has the least interest in the human rights problem, it must take without delay practical measures for the guarantee of human rights, such as the repeal of the "National Security Law" and the dissolution of the "Security Planning Board", and promptly discontinue repressive acts against the people.

Reunification Group Urges South's Independence

*SK2106052893 Pyongyang KCNA in English 0459
GMT 21 Jun 93*

[Text] Pyongyang, June 21 (KCNA)—We consider that if the present ruling forces of South Korea really intend to be our dialogue partner and want peace and peaceful reunification of the country, they must make a bold decision to abandon their present imprudent stance, renounce the policy of depending on outside forces and clarify their will to take the position of national independence, says the spokesman of the Committee for the Peaceful Reunification of the Fatherland in his statement today. Noting that insidious remarks not helpful to the improvement of North-South relations and the peaceful reunification of the country have been made repeatedly by the chief executive of South Korea these days, the statement says:

The chief executive of South Korea abruptly showed up in the central sector of the front a few days ago, where he made remarks refusing summit talks on the pretext of the "nuclear problem" and, furthermore, incited confrontation between the fellow countrymen, claiming that "peace can be maintained only by strength." On June 16, he called "a meeting of leading commanding officers of the Armed Forces" and whipped up war fever, saying that "full preparedness must be maintained" against the alleged "provocation" of the North and that "peace can be defended only by strength."

At a meeting with the representative of an opposition party at "Chongwadae" [presidential offices] he overtly

expressed hostility toward the North and declared that the "National Security Law" could not be revised, crying over "strategy of communising South Korea" which his predecessors has used as pretext for the fascist rule and "government" security for scores of years.

Drawing attention to the fact that these words and acts of the South Korean ruler came after the publication of the DPRK-U.S. joint statement, the public opinion of the world sees a sort of jealousy and uneasiness underlying them. We, of course, do not disagree with this view.

We cannot but pay attention to the fact that the indiscreet, insidious words and deeds are fraught with a grave danger of increasing the tensions on the Korean peninsula and causing an unpredictable confrontation between the North and the South.

He groundlessly let out bellicose remarks and rashly slung mud at the other at a time when our side proposed an exchange of special envoys to solve the pending issues including the nuclear problem through the great unity of the whole nation. This is virtually a full disclosure of his intention to head for confrontation, ignoring our proposal for the exchange of special envoys.

Moreover, we cannot but express concern over the unforeseeable serious consequences that might be entailed by his self-contradictory words and deeds in shifting the responsibility for the nuclear problem, the main source of which is South Korea, on the fellow countrymen and refusing a summit meeting which he had once talked about.

The utterances of the South Korean chief executive are worthless ones which will only cause a trouble within the nation.

We cannot understand why the present ruler of South Korea freely let loose such dangerous remarks which are by no means beneficial to himself nor can connive at that.

We consider it necessary for him to realize that we will never tolerate any foolish dream of overpowering fellow countrymen with "strength", remaining hostile to them.

The present ruling forces of South Korea are crying for an "international system of mutual aid", raising a hue and cry over the nuclear problem more hysterically since the DPRK-U.S. joint statement was published. This cannot be construed otherwise than a declaration that they have no intention to solve the pending issues between the North and the South including the nuclear problem between the fellow countrymen.

By trying to solve the important affair of the nation through dependence on others, pinning hope on them, the present ruling forces of South Korea show that they avoid being an independent dialogue partner with us of their own accord.

We hope such choice of theirs will not produce unfortunate results against them.

It would be too late for them to repent of what they did when the nation would not forgive them.

Group Denounces South's Nuclear Development Plans

SK2206053893 *Pyongyang KCNA in English 0431*
GMT 22 Jun 93

[Text] Pyongyang, June 22 (KCNA)—Chairman of the Central Committee [C.C.] of the Korean Christians Federation Kang Yong-sop, chairman of the Central Committee of the Korean Buddhists Federation Pak Tae-ho and chairman of the Central Committee of the Korean Roman Catholics Association Chang Chae-chol in the statements issued to the press Monday condemned the South Korean authorities for their moves for development of nuclear weapons and nuclear armament.

They said that the present South Korean authorities advocating "civilian politics" continue developing nuclear weapons, openly declaring that "South Korea, too, should secure nuclear power" following the predecessors at the time when the nuclear problem is getting accentuated in the international arena.

According to the design to legalize and practise the development of nuclear weapons and nuclear armament in South Korea, the Taedok Research Complex, a centre of nuclear arms development, has been commissioned and an extraction base of nuclear fissionable materials and bases for detonating test, manufacturing nuclear bombs and developing means of nuclear delivery have been built, which are now in full operation, they noted.

The chairman of the C.C., the Korean Christians Federation said:

It is an unpardonable anti-national crime that the South Korean authorities have accelerated the development of nuclear weapons and nuclear armament, not content with more than 1,000 nuclear weapons deployed in South Korea.

The chairman of the C.C., the Korean Buddhists Federation noted that the criminal moves of the present South Korean authorities for nuclear development which will plunge the whole nation into ruin prove that they are little different from the former fascist "regime" which turned against the nation.

The chairman of the C.C., the Korean Roman Catholics Association said that all the Koreans should thwart and frustrate the moves of the South Korean authorities to drag the whole territory and nation into nuclear holocaust. He expressed his belief that the people and catholics of all countries the world over who value peace and justice will sharply denounce the manoeuvres of the South Korean authorities for nuclear armament and extend active support and firm solidarity to the just cause of the Korean people for the peace and peaceful reunification of the country.

Kim Ki-nam Meets Cuban Ideology Coordinator

*SK1706050193 Pyongyang KCNA in English 0416
GMT 17 Jun 93*

[Text] Pyongyang, June 17 (KCNA)—Kim Ki-nam, secretary of the Central Committee of the Workers' Party of Korea, met and had a friendly talk at the Mansudae Assembly Hall Wednesday with Victor Manuel Gonzales, coordinator general of the Ideology Department of the Central Committee of the Communist Party of Cuba.

Present on the occasion were an official concerned and Cuban Ambassador to Korea Juan Jose Leon Vega.

Pyongyang, Pakistan Mark Cultural Ties Anniversary

*SK1606044293 Pyongyang KCNA in English 0401
GMT 16 Jun 93*

[Text] Pyongyang, June 16 (KCNA)—A friendship gathering was sponsored by the Committee for Cultural Relations with Foreign Countries Tuesday on the occasion of the 20th anniversary of the signing of the agreement on cultural cooperation between the Governments of the Democratic People's Republic of Korea and the Islamic Republic of Pakistan.

Invited to the gathering were Charge d'Affaires ad interim of the Pakistani Embassy here Shafgat Ali Cheema and embassy officials.

Present there were Chon Yon-ok, vice-chairperson of the Committee for Cultural Relations with Foreign Countries, and other officials concerned.

The participants appreciated part eleven of the Korean multi-part feature film "The Nation and Destiny" before having conversation in a friendly atmosphere.

Study Group Holds Inaugural Meeting in Japan

*SK1706121393 Pyongyang KCNA in English 1015
GMT 17 Jun 93*

[Text] Pyongyang, June 17 (KCNA)—An inaugural meeting of the Fukushima, Japan, Society for the Study of Kim Chong-il's works was held in Koriyama on May 27.

A report was made at the meeting before the rules and action program of the society were adopted.

Reiko Adachi was elected chief adviser of the society.

A letter to the dear leader Comrade Kim Chong-il was adopted there.

Yang Hyong-sop Meets Uzbek Chairman Yuldashev

*SK1706060493 Pyongyang Korean Central
Broadcasting Network in Korean 1500 GMT 15 Jun 93*

[Text] Chairman Yang Hyong-sop, head of the DPRK Supreme People's Assembly [SPA] delegation, met and held talks with Shavkat Yuldashev, chairman of the Uzbek Supreme Soviet, on 11 June. The delegation toured Tashkent and visited the industrial products exhibition and the Uzbek Exports Center 11-12 June. It also visited (ASOKO), the Committee To Promote the Reunification of Korea, and the Kim Kyong-hwa Kolkhoz on 13 June. The Uzbek Supreme Soviet arranged a banquet for the delegation the same day. (Dogrov), vice chairman of the Uzbek Supreme Soviet, and other relevant functionaries attended the banquet. Guests at the banquet proposed a toast for the long life of the great leader Comrade Kim Il-song, the dear leader Comrade Kim Chong-il, and Uzbek President Islam Karimov.

SPA Delegation Meets Ukrainian Parliamentarian

*SK1806043793 Pyongyang KCNA in English 0416
GMT 18 Jun 93*

[Text] Pyongyang, June 18 (KCNA)—Talks were held in Kiev on June 14 between delegations of the Supreme People's Assembly [SPA] of Korea and the Supreme Soviet of Ukraine.

Present at the talks on the Korean side were the members of the SPA delegation led by Chairman Yang Hyong-sop, and the charge d'affaires ad interim of the Korean Embassy there, and on the opposite side Ivan Plyushch, president of the Supreme Soviet of Ukraine, and officials concerned.

The talks proceeded in a friendly atmosphere.

Signs Trade Agreement

*SK1806043593 Pyongyang KCNA in English 0413
GMT 18 Jun 93*

[Text] Pyongyang, June 18 (KCNA)—An agreement on trade and economic cooperation between the governments of the DPRK and Ukraine was signed in Kiev on June 15.

It was signed by Hong Hak-su, vice-chairman of the State External Economic Affairs Commission, and Ivan Ivanovych Herts, Ukrainian minister of external economic relations.

Ugandan Delegate Signs Information Agreement

*SK1806045293 Pyongyang KCNA in English 0422
GMT 18 Jun 93*

[Text] Pyongyang, June 18 (KCNA)—An agreement on cooperation in information services between the Information Committee of the Democratic People's Republic

of Korea and the Ministry of Information of the Republic of Uganda was signed here Thursday [17 June].

Present at the signing ceremony on the Korean side were Kim Ki-yong, chairman of the DPRK Information Committee, and other officials concerned and on the opposite side were the members of the delegation of the Republic of Uganda led by Paul Etiang, minister of information.

Kim Il-song Receives Asian Chuche Group

*SK1706125393 Pyongyang KCNA in English 1037
GMT 17 Jun 93*

[Text] Pyongyang, June 17 (KCNA)—The great leader President Kim Il-song today received secretary general of the Asian Regional Institute of the Chuche Idea, Govind Narain Srivastava and his party on a visit to Korea.

Secretary of the C.C. [Central Committee], the Workers' Party of Korea, Hwang Chang-yop was present on the occasion.

President Kim Il-song conversed with the guests in a cordial and friendly atmosphere.

He hosted a luncheon for them.

Korean People's Army Holds Athletic Games

*SK1606111293 Pyongyang KCNA in English 1000
GMT 16 Jun 93*

[Text] Pyongyang, June 16 (KCNA)—Games of the sports groups of the Korean People's Army took place in Pyongyang from June 4 to 14 on the occasion of the 40th anniversary of the victory in the Fatherland Liberation War.

They competed in football, basketball, volleyball, boxing, wrestling, marathon, shooting, etc.

The Kalmaegi Sports Group won the top honor in men's soccer, the Wangjaesan Sports Group in women's soccer, the Chebi Sports Group in men's and women's basketball and volleyball, the Maebongsan Sports Group in the men's table tennis team event and the Hwangchoryong Sports Group in the women's table tennis team event.

The Osongsan and Sungrisan sports groups placed first in boxing, the Ponghwasan Sports Group in wrestling, the Kuwolsan Sports Group in Chudo and the Taetoksan Sports Group in men's and women's shooting.

Construction of Apartments Nears Completion

*SK1806003593 Pyongyang KCNA in English 1502
GMT 17 Jun 93*

[Text] Pyongyang, June 17 (KCNA)—The construction of 30,000 flats is being briskly stepped up in Pyongyang at the final stage with a view to completing them before the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War (July 27).

The 30,000 flats under construction following the completion of 50,000 flats in the first two years of the 1990s are springing up as big high-rise apartment houses in different places of the capital including Tongil and Kwangbok Streets, going well with the existing streets.

The buildings number more than 250.

This is tantamount to building one whole city in terms of the number of buildings and flats.

The capital city constructors have finished the frame assembling and completed thousands of flats in a matter of a few months by creating an unprecedented construction speed, having set themselves a goal of building residential quarters with 30,000 flats, service establishments and educational and cultural facilities in one year.

They plan to complete the interior project of the remaining objects within this month.

KCNA Reviews 19 June Pyongyang Press

*SK1906083293 Pyongyang KCNA in English 0535
GMT 19 Jun 93*

[Press review]

[Text] Pyongyang, June 19 (KCNA)—Papers here today carry a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Punsalmagiin Ochirbat upon his reelection as president of the state of Mongolia.

Appearing in papers is a report that the minister of information of Indonesia presented gifts to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

NODONG SINMUN reports that President Kim Il-song received a message from Swedish King Karl Gustaf in reply to his message of greetings sent to the latter on the national day of the Kingdom of Sweden and a letter from the participants in the commissioning ceremony of the Taedonggang joint venture factory in Uzbekistan.

Carried in the press are a message of appreciation to President Kim Il-song from the participants in the fourth conference of ministers of information of non-aligned countries and the declaration of the Pyongyang conference of ministers of information. Given in papers are accounts of the closing of the conference and the sojourn of the participants in the conference in Pyongyang.

Papers convey the international response to "Non-aligned information must contribute to the people's cause of independence", a historical speech of President Kim Il-song.

NODONG SINMUN carries words of foreign figures praising President Kim Il-song.

Classical works of Comrade Kim Chong-il were broadly disseminated and studied in different countries and

inaugural meetings of societies for the study of Kim Chong-il's works were held in different parts of Japan, says the press.

An article of NODONG SINMUN says that Comrade Kim Chong-il wisely led officials to learn from the indomitable fighting spirit displayed by the revolutionary forerunners during the anti-Japanese armed struggle and live and work as they did.

Papers inform the readers that the excursion march group to the native home in the Mt. Paektu secret camp which is composed of members of the League of Socialist Working Youth and young people from all parts of the country started a glorious excursion march.

Papers report about the arrival in Pyongyang of His Royal Highness Crown Prince Maha Varjiralongkorn of the Kingdom of Thailand.

Conveyed in the press is news of innovations effected in different fields of the national economy including power and metallurgical industries and forestry in hearty response to the calls of the Central Committee of the Workers' Party of Korea on the occasion of the 40th anniversary of the victory in the fatherland liberation war.

Papers deal with active assistance given by working people across the country to the People's Army.

It is reported in papers that an agreement on trade and economic cooperation was signed in Kiev between the Korean and Ukrainian governments.

Papers publish a statement made by First Vice Minister of Foreign Affairs Kang Sok-chu, head of the Korean side to the DPRK-U.S. government-level talks, expressing the belief that the upcoming talks will bring affirmative results.

NODONG SINMUN carries a statement of the Korean student committee denouncing the suppression of the South side headquarters of Pomchonghaknyon and Hanchongnyon by the South Korean authorities.

Papers run commentaries condemning the suppression of the press by the South Korean authorities.

NODONG SINMUN runs the fourth instalment of an article exposing the true color of the "Security Planning Board" of South Korea.

Papers convey foreign press tones demanding the demolition of the concrete wall built in the area South of the Military Demarcation Line and denouncing Japan's scheme of nuclear arming.

According to the press, the Indian prime minister supported the just cause of Palestine.

NODONG SINMUN deals with the daily worsening environmental pollution on the globe.

KCNA Reviews 21 Jun NODONG SINMUN
SK2106053793 Pyongyang KCNA in English 0509
GMT 21 Jun 93

[Review of NODONG SINMUN]

[Text] Pyongyang, June 21 (KCNA)—NODONG SINMUN today reports that Los Andes De Huancayo University awarded the degree of honorary doctor to the great leader President Kim Il-song and the title of honorary professor to the dear leader Comrade Kim Chong-il.

The paper reports that President Kim Il-song of the Democratic People's Republic of Korea received a message from President France Albert Rene in reply to his message of greetings on the 16th anniversary of the national day of the Republic of Seychelles.

The paper conveys words of South Korean people holding President Kim Il-song in high esteem as the great sun of the nation and the centre of great national unity.

It is reported in the paper that a seminar on Comrade Kim Chong-il's classical work "Our Socialism Centred on the Masses Shall Not Perish" was held in Zimbabwe and a function was held in Peru to name the fifth-term graduating class of the law department of Los Andes De Huancayo University after Kim Chong-il.

The paper runs an editorial titled "Let Non-aligned Countries Develop Exchange and Cooperation in Information Services" on the successful holding of the 4th Conference of the Ministers of Information of the Non-aligned Countries in Pyongyang.

An article of the paper says that Comrade Kim Chong-il has brought up the soldiers of a unit of the Korean People's Army to be each a match for a hundred foes.

Under the bannerline title "His Excellency Kim Chong-il is outstanding military strategist and peerless brilliant commander with literary and military accomplishments" the paper conveys voices of foreigners and mass media of various countries.

The paper informs the readers that a total of 187 political parties of the world have signed the Pyongyang declaration "Let Us Defend and Advance the Cause of Socialism" and the Latin American Institute of the Chuche Idea issued bulletin "Banner of Independence" No. 51.

The assignments for the first half year have been fulfilled in different domains of the national economy, according to the paper.

It gives an account of the sojourn of His Royal Highness Crown Prince Maha Wachiralongkon of Thailand in Korea.

The head of state of Cambodia received the DPRK ambassador, says the paper.

The paper introduces the newly released Korean documentary film "Incarnation of Faith and Will" on Yi In-mo, a former war correspondent of the Korean People's Army.

Printed in the paper is a statement issued by the spokesman of the Committee for the Peaceful Reunification of the Fatherland criticizing the chief executive of South Korea for repeatedly making insidious remarks not helpful to the improvement of North-South relations and the peaceful reunification of the country these days.

A solidarity council for peace and reunification was inaugurated in Seoul and the director of the institute of peace in South Korea criticized the authorities' suppression of students, reports the paper.

The paper reports that Japanese figures published statements supporting the DPRK-U.S. talks and the newspaper of Koreans overseas NEW KOREA TIMES denounced the Japanese authorities for trying to justify their moves to become a military power and their nuclear armament.

Newspapers of Asian countries laid bare the hypocritical human rights policy of the West, according to the paper.

The spokesman for the Chinese Foreign Ministry rejected the white paper published by the Dalai Lama, says the paper.

The paper runs an article analysing the situation in Cambodia after the general elections.

KCNA Reviews 22 Jun Pyongyang Press

SK2206054393 Pyongyang KCNA in English 0443
GMT 22 Jun 93

[Press review]

[Text] Pyongyang, June 22 (KCNA)—NODONG SINMUN here today reports that the reminiscences of the great leader President Kim Il-song "With the Century" have been disseminated and studied in foreign countries.

The paper carries news that President Kim Il-song received solidarity messages from different countries in support of the "10-point programme of the great unity of the whole nation for the reunification of the country" put forward by him.

An article of the paper recalls that President Kim Il-song let not only students but also people and soldiers of the people's army study under his care during the Fatherland Liberation War while designing the future of the country after the victory.

The paper informs the readers that a seminar on the classical work of the dear leader Comrade Kim Chong-il "Abuses of Socialism are Intolerable" was held by the society for the study of the chuche idea of African students studying in Mali.

According to the press a beautiful double rainbows spanned in the sky above Mt. Paektu, the holy mountain of revolution, connecting the Changgun Peak and the Hyangdo Peak.

A Mongolian Figure J. Jamjan published an article entitled "Kim Chong-il, he is the leader of people", says NODONG SINMUN.

The paper comes out with an editorial headlined "Let Us Fully Carry Through the Party Policy Upholding the Slogan 'When the party is determined, we can do anything!'".

Econews of the press deals with innovations effected by working people in various fields of the national economy including mining in production and construction to greet the 40th anniversary of the victory in the Fatherland Liberation War with brilliant achievements.

The press reports about the sojourn of His Royal Highness Crown Prince Maha Wachiralongkon of Thailand and his entourage in Korea.

Agreements on cooperations in the field of information were signed between the DPRK and Rwanda and between the DPRK and Zaire and a plan for cultural exchange for 1993-1995 between the DPRK and Ghana, says the press.

NODONG SINMUN conveys world public voices praising the Korean-style socialist system centering on the popular masses.

The paper carries gists of statements issued by the chairmen of the religious organizations of Korea denouncing the development of nuclear weapons and nuclear armament scheme of the South Korean authorities.

A professor of a South Korean University exposed that the transfer of the prerogative of supreme command of the puppet army was forced by the United States.

An article of NODONG SINMUN lays bare the criminal nature the "December 12 army purge coup" by South Korean military of brasshats in December 1979.

Foreign public circles supported the just struggle of "Hanchongnyon" of South Korea, says the daily.

Appearing in the international news columns of the press are reports that Samdech Norodom Sihanouk accepted the offer to be the supreme commander of the Cambodian Army, the Malaysian King called for ethnic unity and art education is developing in Cuba.

Papers observe the 20th anniversary of the establishment of diplomatic relations between the DPRK and Norway.

An article of NODONG SINMUN deals with the tasks for clearing away the left-overs of the cold war and democratizing the international community.

The daily reports about the confusion of the Japanese political situation with the passage of the non-confidence motion against the Miyazawa cabinet.

South Korea

Seoul Accepts North Proposal for 24 Jun Contact

SK2206055893 Seoul CHUNGANG ILBO in Korean
22 Jun 93 p 2

[Text] The government has decided on 22 June to accept North Korea's proposal for exchanging special envoys. The government sent a telephone message in the name of Prime Minister Hwang In-Song to the North side, informing it that "in accordance with North Korea's proposal, two working-level delegates will be sent to Tongilgak, the North side's area of Panmunjom, at 1000 [0100 GMT] on 24 June. The government has once again accepted the North Korean side's proposal that the issue concerning the exchanges of special envoys be discussed at a working-level contact. Attention is now focused on the North Korean side's reaction to our side's proposal. Our side had earlier accepted the North Korean side's proposal, the North Korean side, however, postponed the working-level contact on 14 June.

In the message, our side informed the North side that Song Yong-tae, vice minister of the Board of the National Unification, and Yi Sung-kon, member of the South side of the North-South Joint Nuclear Control Committee, will be our side's working-level delegates.

'Not Clear' North To Send Delegates

SK2206095693 Seoul YONHAP in English 0931 GMT
22 Jun 93

[Text] Seoul, June 22 (YONHAP)—Prime Minister Hwang In-song informed North Korea on Tuesday that the South would send two working-level delegates to Panmunjom on Thursday [24 June] to have an inter-Korean contact as North Korea proposed. In a telephone message to his North Korean counterpart, Kang Song-san, Hwang said, however, that Thursday's contact should discuss basic matters related to the nuclear issue along with procedural items for the proposed exchange of special envoys.

"We, too, are in a position to materialize the exchange of special envoys for the improvement of inter-Korean relations and the wellbeing of the Korean people," Prime Minister Hwang said in the message. But, it is not clear whether North Korea would send their delegates to Panmunjom on Thursday. The North has been maintaining that the contact should discuss none but the issue of exchanging special envoys between the two sides.

Earlier in the day, the government decided to realize the exchange of envoys and totally permit businessmen's visits to North Korea if a breakthrough is made in the resolution of the nuclear issue. The decision was made at a unification-related ministers meeting held at the office

of South-North dialogue under the chair of Deputy Prime Minister and Unification Minister Han Wansang.

Vice Unification Minister Song Yong-tae said that the government made it clear in Tuesday's message that the South is interested in the exchange of special envoys. Song explained that the "discussion of basic matters related to the nuclear issue" means that the two sides discuss ways to provide a breakthrough in the resolution of the nuclear question.

As to the meaning of the "breakthrough," the vice minister said it refers to a condition in which North Korea completely returns to the Nuclear Nonproliferation Treaty (NPT) and agrees to special inspections by the International Atomic Energy Agency (IAEA) of undeclared facilities at Yongbyon. Also at Tuesday's meeting, the government decided to promote South-North economic cooperation in earnest once North Korea agrees in principle to prepare rules for simultaneous inter-Korean nuclear inspections.

Specific projects expected to be promoted under economic cooperation would include the implementation of pilot inter-Korean projects and permit for the dispatch of North Korean work force to third countries. The South will be represented at Thursday's contact by Vice Unification Minister Song and Yi Song-kon, the South's chairman of the South-North Joint Nuclear Control Commission.

Minister Against DPRK Visit by Israel's Peres

SK2106101893 Seoul YONHAP in English 1006 GMT
21 JUN

[Text] Seoul, June 21 (YONHAP)—The South Korean foreign minister personally talked with his Israeli counterpart Shim'on Peres last week and asked him to refrain from going to North Korea at this particular time, officials here said Monday. Han Sung-chu met with Peres in Vienna while attending the world conference on human rights and asked that Israel send someone else than the foreign minister in negotiating with North Korea, according to the officials.

Peres said he wanted to go to Pyongyang sometime soon to talk the communist country out of selling its upgraded missile system to long-time foe Iran which would place Israel well within range. Peres already got a go-ahead from the United States who, according to officials here, could not stop the Middle East country from seeking its own security interests by negotiating with North Korea.

Han asked Peres to refrain from such a visit at this time when the international community needs coordinated action to press North Korea to accept inspection on its suspected nuclear facilities, officials said. He suggested instead that Israel send someone else, since a foreign minister's visit may send a wrong signal to Pyongyang that Jerusalem was ready to normalize relations with North Korea, they said.

The Foreign Ministry already delivered this position to Israeli ambassador to Seoul Asher Naim who said he will relay it when he goes home for vacation. Naim left for Jerusalem June 17.

Labor Officials Arrested for DPRK Defection Attempt

SK2106105493 Seoul YONHAP in English 1042 GMT 21 Jun 93

[Text] Seoul, June 21 (YONHAP)—Two labor organization officials have been arrested after they sought to defect to North Korea by way of Germany, the Agency for National Security Planning (NSP) announced on Monday afternoon. The pair were identified as Pak Tong-su, organization department chief of the Council for Seoul Area Labor Unions, and Chong In-kun, masses project planning department chief of the Northern Workers Hall.

The NSP announcement said that the duo left the country on last April 20 to reach Berlin via Thailand, where they came in contact with officials of Koreans organizations sympathetic to North Korea to discuss the time and method of their flight to North Korea. The two returned home on May 17, however, at the suggestion of North Korean officials, who told them to withhold their defection for the time being because if they defected at a time when the "August 15 pan-national conference" is being prepared, the Seoul authorities may use the occasion to torpedo the conference, according to the announcement.

They were caught in the country on June 16. "We are continuing investigation of the case as the two are suspected of having consulted with some leading figures in the dissidents and labor circles when they prepared their defection to North Korea," the NSP said.

Beijing Mayor Invites Seoul Mayor To Visit

SK2206101193 Seoul YONHAP in English 1003 GMT 22 Jun 93

[Text] Seoul, June 22 (YONHAP)—The mayor of Beijing, China has invited the Seoul mayor to visit Beijing. A Seoul municipal official said on Tuesday Beijing Mayor Li Qiyang extended an invitation to Seoul Mayor Yi Won-chong through the Chinese Embassy in Seoul to visit Beijing some time in the second half of this year. The Beijing mayor said in the written invitation that exchanges and cooperation between Seoul and Beijing, the capital cities of the two countries, will be in conformity with the interests of the citizens of the two cities and will also be beneficial to the development of friendly relations between the two countries.

The Seoul official said the mayor's office is affirmatively reviewing the invitation, adding that if consultations go on well with the Foreign Ministry and other related offices, the mayor would be able to visit Beijing around October this year. Vice Beijing Mayor Zhang Baifa

visited Seoul last February and a 21-member delegation from Beijing's Industry and Commerce Management Bureau came to Seoul last May.

Ulchi '93 Military Exercise To Run 21-26 Jun

SK2106030093 Seoul YONHAP in English 0131 GMT 21 Jun 93

[Text] Seoul, June 21 (YONHAP)—The nationwide joint command post exercise "Ulchi '93" runs from Monday through Saturday. The exercise, the first under the current government, will be low key and limited to routine training so that it doesn't affect dialogue with North Korea, a government spokesman said Monday. A crisis management conference on the exercise, attended by prime minister Hwang In-song and the entire cabinet, will take place at the capitol building in the afternoon.

U.S., DPRK Said To Plan Jun-Jul Talks

SK1906080093 Seoul CHUNGANG ILBO in Korean 19 Jun 93 p 2

[Text] The second-stage U.S.-North Korean talks on the nuclear issue will reportedly take place in Geneva in late June or early July at the latest. The United States and North Korea will announce the date and site of the talks next week. Upon the agreement that the level of the talks will be upgraded to a vice ministerial level [chagwan-gup], Undersecretary of State Tarnoff will reportedly represent the United States, and Vice Foreign Minister Kang Sok-chu will reportedly represent North Korea.

An ROK Government official said on 19 June: "The United States has demanded that the high-level talks be held at an early date. However, North Korea has asked the United States to give it some time. As a result, the talks have been delayed for some time."

He also said that the talks would be resumed in two to three weeks, adding that the two countries had no different view on the site of the talks because North Korea had chosen Geneva and because the United States had agreed on it. He said that the United States plans to discuss the resolution of the nuclear inspection issue first and the improvement of the U.S.-North Korean relations later at the high-level talks. He also said that North Korea plans to propose that it receive nuclear inspections, instead of completely returning to the Nuclear Nonproliferation Treaty. He added that serious disputes would occur at the talks, as a result.

Meantime, upon returning from a European tour, ROK Foreign Minister Han Sung-chu said that as for special inspections, it is not necessary to stick to what they are called [tukpyolsachalmunjenun kuji myongchingul kosu-halpiryoga optago]. In this way, he hinted at flexibility with regard to the inspections of the two unreported facilities [sisol] in Yongbyon.

Dacom Provides Communications for U.S. Military*SK2206034693 Seoul YONHAP in English 0255 GMT
22 Jun 93*

[Text] Seoul, June 22 (YONHAP)—Dacom Corp. began a satellite communications service for the U.S. Forces Korea with the opening of an earth station at Camp Humphreys in Pyongtaek on Tuesday. The earth station is part of a mammoth project by the U.S. Defense Department to upgrade the Pacific Consolidated Telecommunication Network (PCTN) defense system in the Pacific area, which connects Korea with the continental United States and Hawaii, a Dacom spokesman said.

The station, with a nine-meter dish, would contribute to the security of the region in the post-cold war era and at a time of U.S. military reductions, he said. The project can consolidate communications lines the United States has run so far into a high-speed digital line system by using satellites and undersea optic fiber cables.

Seoul, Washington Begin Beef Negotiations*SK2206020893 Seoul YONHAP in English 0141 GMT
22 Jun 93*

[Text] Seoul, June 22 (YONHAP)—South Korea and the United States started their fifth beef negotiations Tuesday in Seoul on a shaky note because the two sides are still very much at odds on major issues. The third round of beef talks this year is scheduled to last for two days with Kim Tong-tae, director-general for livestock affairs at the Agriculture, Forestry, and Fisheries Ministry, representing Seoul and Peter Colins, director for Korean Affairs at the U.S. Trade Representative (USTR), as chief American delegate.

The two sides will tackle the well-tested issues of complete opening of Korea's beef market by 1997, improvement in the Simultaneous Buy and Sell (SBS) system, and import quotas. Prospects for an agreement were dim as Washington was showing a more stubborn attitude than ever, Korean officials said. The two countries began the beef talks in Washington last April in the hope of coming to some kind of compromise in two days, but their verbal tug-of-war ended without fruit after 10 days.

Washington is expected to call for complete market opening by July 1997, extension of SBS to supermarkets and butcher's shops, and major hikes in import quotas. It will complain of Korea's 2-percent mark-up on some special cuts sold in hotels and ask for measures to promote sales of imports by levying 2 percent tax on foreign beef instead of the livestock fund claim of 70 percent to 100 percent. It was likely to be more aggressive in its demand for free market access with U.S. President Bill Clinton expected in Seoul in July, the officials said.

The two sides narrowed their differences on major issues such as import quotas and annual quota increases and SBS in April, but failed to put them in writing because

the American side insisted on including issues that had not been discussed. In the talks, they agreed in principle on setting the 1993 quota at 99,000 tons and raising it 5 percent annually, and fixing SBS volume at 9,900 tons, or 10 percent of the import quota, for increases to 15,600 tons in 1994 and 30,000 tons (27.5 percent of the basic quota) in 1995. They decided to expand the marketing for SBS between businesses yearly, allow direct trade between local companies and exporters, and lower the ceiling for imports to an annual 5 percent.

But the agreements made in the fourth talks lack binding force because the U.S. side had closed the talks by proposing a wholly new set of negotiations in the fifth round. Meanwhile Tuesday, six stock farming organizations, including the national livestock cooperative federation, staged a protest to oppose market opening in front of the government building in Kwachon where the Korea-U.S. beef talks were taking place.

They sent a statement to the Washington side, calling it to retract its call for complete market opening by 1997, stop its interference in the SBS and Korea's marketing system and halt its political pressure on Seoul during the negotiations. They also urged the Korean negotiators to never accept market opening by 1997, set import quotas at less than 9,000 tons, and decide on SBS at 10 percent of the total import quota.

Seoul-U.S. Summit Talks To Focus on Trade Issues*SK1806045493 Seoul THE KOREA TIMES in English
18 Jun 93 p 8*

[By staff correspondent Pak Yun-pae]

[Text] The Korea-U.S. summit talks, scheduled for July 10-11, are likely to focus on binational cooperation for the successful conclusion of the Uruguay Round (UR) and other bilateral pending trade issues. The meeting between Presidents Kim Yong-sam and Bill Clinton will be creating a new dialogue channel for discussing trade matters and improving the business environment as the President's Economic Initiative (PEI) expires this September.

PEI is an economic consultation mechanism agreed to by former presidents No Tae-u and George Bush in January, 1992 to discuss Korea-U.S. economic issues including the protection of intellectual property rights, technology transfers, investments, customs clearance procedures and standardization. A post-PEI consultation system will inherit many issues from the present PEI; however, the new one is likely to emphasize market opening and globalization of the Korean economy, said an official at the Economic Planning Board (EPB).

Washington has often stressed that U.S. trade partners have to open their markets the same as the U.S. opens its market to them. U.S. Trade Representative [USTR] Mickey Kantor has said, "As the U.S. continues to

maintain open markets and continues to foster expanded trade, we will ask our allies and trading partners to follow suit as well."

The U.S. has held similar talks with Japan, which are called the "Strategic Impediment Initiative (SII)," to tackle further opening of Japanese financial and distribution markets as well as investment. Lawrence Summers, undersecretary for international affairs at the U.S. Treasury Department, said, "We want our industries to be able to invest in Korea and once in Korea, to be able to continue operating in a sound and equal footing."

Speaking at the Sixth Korea-U.S. Business Conference in Washington Monday [14 June], he stressed that Korea should include wider steps to open the financial market in its new economic development plan. The U.S. official said the plan should include easing restrictions on capital-account and foreign exchange transactions as well as deregulation of domestic interest rates.

But the Korean Finance Ministry took a firm position that the financial opening blueprint will be bold enough to satisfy U.S. demands.

Korea will announce the third phase of its liberalization plan soon, ministry officials revealed. The further opening of the telecommunications market and lifting the ban on rice imports are issues likely to emerge in the Korea-U.S. economic council meeting on June 24. The meeting will lay the groundwork for economic discussion at the summit talks next month.

Richard A. Morford, economic counsellor for economic affairs at the U.S. Embassy, told The Korea Times by phone "The economic contents of President Clinton's visit to Seoul have not been decided yet."

But he added that the U.S. economic agenda will be decided after Korea and the United States hold a sub-cabinet meeting (for bilateral economic issues) on June 24. U.S. officials from the State Department and the USTR will meet with their counterparts from the Korean economic ministries and the Foreign Affairs Ministry.

He said, at this stage, "I don't have any information about what the economic agenda will be." He also said the United States has nothing to say at this stage about Korea's financial reform plan, adding that "until the Ministry of Finance announces the third-stage of market-opening and financial liberalization, we will just wait."

U.S. Likely To Lower Antidumping Duties on Steel

SK1906023793 Seoul THE KOREA TIMES in English
19 Jun 93 p 16

[Text] South Korean steelmakers have a good chance of seeing U.S. antidumping duties on their hot-rolled steel sheet lowered 4 to 5 percentage points in the final determination next week. Pohang Iron and Steel Co.

(POSCO) and other Korean steelmakers that face countervailing and antidumping duties for government subsidies and selling products at less than fair price on the U.S. market, said yesterday they expected the final antidumping margin on hot-rolled products be some 4 to 5 percentage points off from the 22.2 percent decided in the preliminary ruling in January.

But the dumping margins on cold-rolled, galvanized sheet, and carbon steel plate are likely to be higher in the June 21 finding than the preliminary figures. Washington is projected to lower the provisional countervailing duties 2 to 3 percentage points from 5.51 percent on hot-rolled sheet if it accepts Korea's explanation of government subsidies on building POSCO's Kwangyang steel mill and the differences in real interest rates.

Last January, the U.S. Commerce Department found Korean steelmakers underpricing their hot-rolled sheet 22.2 percent; cold-rolled sheet, 12.73 percent; galvanized sheet, 3.28 percent; and plate, 4.72 percent. It also determined provisional countervailing duties of 5.51 percent on hot-rolled goods, 4.49 percent on cold-rolled sheet, 2.93 percent on galvanized products, and 3.9 percent on plate last December to offset government subsidies.

Australia's Keating Arrives 20 Jun for Visit

SK1906024893 Seoul YONHAP in English 0130 GMT
19 Jun 93

[Text] Seoul, June 19 (YONHAP)—Australian Prime Minister Paul Keating comes to Seoul on Sunday [20 June] evening for a five-day official visit and will meet with President Kim Yong-sam on Monday. The two leaders are expected to exchange opinions on the establishment of Asia-Pacific security dialogue, gaining renewed interest with unprecedented U.S. support, and a summit of 15 members to the Asia-Pacific Economic Cooperation (APEC). They are also to discuss upgrading economic relations between their countries.

Keating lunches with Korean business leaders after the summit, and holds a press conference. He heads for Pohang on Tuesday to meet with officials of POSCO and to tour its facilities.

Opposes Security Role for APEC

SK2106083093 Seoul YONHAP in English 0753 GMT
21 Jun 93

[Text] Seoul, June 21 (YONHAP)—Australian Prime Minister Paul Keating ruled out the idea of making the Asia-Pacific Economic Cooperation (APEC) a channel for regional security dialogue on Monday, saying that the body should stay an economic institute. "There is no role by APEC in security dialogue," Keating, on a four-day official visit, told a press conference. "(APEC) is essentially an economic institute."

There are no specific proposals yet on solving representation problems of the "three Chinas" in upgrading the

ministerial-level APEC meeting to a summit, especially with China objecting to inviting Taiwan, which it labels a runaway province. Keating said he would personally discuss it with Chinese Prime Minister Li Peng when he went to Beijing from Seoul.

APEC would talk to China on this problem, Keating said, adding that he "would be very surprised" if Beijing did not agree to such talks when proposed by U.S. President Bill Clinton. While Keating said that he and South Korean President Kim Yong-sam had talked about realizing an APEC leaders' meeting "as soon as possible" and establishing a security dialogue in Asia, he ruled out the chances of addressing the latter at APEC. "Wide range of security dialogue can come outside of formal treaty arrangements," he said, referring to existing bilateral security agreements, for example between South Korea and the United States.

He tossed regional security talks instead to the Association of Southeast Asian Nations (ASEAN), saying that its Post-Ministerial Conference (PMC) "is working quite well." The prime minister asked Seoul to take a long-term view of the current trade imbalance in Australia's favor, stressing that it was a phenomenon "at the moment" because of Korea's heavy imports of raw materials. Seoul's trade deficit with Canberra stood at 2 billion U.S. dollars last year.

He said Kim understood his point that Australia would lower its imports tariffs to 5 percent from the present 30 percent by 1997 and guarantee total transparency. He brushed aside Seoul's concerns about the frequency of Australian anti-dumping rulings on Korean products, saying they affected only 1 percent of Korean exports to Australia.

Foreign Ministry Announces Japan's Muto To Visit

SK2206040393 Seoul YONHAP in English 0258 GMT 22 Jun 93

[Text] Seoul, June 22 (YONHAP)—Japanese Foreign Minister Kabun Muto will visit Seoul next week for a meeting with his Korean counterpart, the Foreign Ministry announced Tuesday. Muto and Han Sung-chu will discuss the North Korean nuclear issue, political developments in Northeast Asia and prospects for the G-7 [Group of Seven] summit in July, ministry officials said. They will also discuss bilateral issues, including Japan's huge trade surplus with Korea and Tokyo's measures for Korean "comfort women," forced into sex slavery for the pleasure of Japanese soldiers during World War II.

The officials said, however, they did not expect Muto to bring any new information or to announce measures regarding the comfort women. The two ministers will sign an environmental cooperation agreement. Muto will meet Han soon after his arrival in Seoul on June 29 and will pay a courtesy call on President Kim Yong-sam before leaving the following day.

Seoul To Open 133 Industries to Foreign Investors

SK2206074893 Seoul YONHAP in English 0656 GMT 22 Jun 93

[Text] Seoul, June 22 (YONHAP)—South Korea will gradually open 133 areas ranging from silkworm raising and bee keeping to hospitals and certified public accountants to foreign investors over four and a half years from July. These are among the 224 sectors in which foreign investment is currently restricted or banned, and their opening will raise the liberalization rate from 83 percent of all 1,148 registered areas of industry to 93.5 percent by the end of 1997.

In addition, 43 of the 50 sectors in which foreign investment is allowed on condition of joint partnership or investment will be cleared of such conditions for foreign investors over the same years. These are the salient points of a resolution passed by the foreign capital inducement deliberation committee in a meeting at the Finance Ministry on Tuesday. Opened for foreign investment in the latter half of 1993 will be 16 areas, including bee keeping, ginseng drink manufacturing, shoeshining and portering.

In 1994, the 40 areas will include tea houses, barber shops, beauty salons, parking lots and movie production and distribution. Between 1995 and 1997, the remaining 77 sectors, including hospitals, chicken farming, flour mills, certified public accountants, community antenna broadcasting, credit-sale financing and inland transportation, will be opened to foreign investors.

It was also decided to ease restrictions on foreign-invested retail shops: increasing the maximum sales floor area from 300 pyong (one pyong is 3.3 square meters) to 1,000 pyong and the maximum number of stores in a chain from 10 to 20 effective from July 1 and abolishing all these restrictions in 1996. Areas that are highly sensitive to the public interest, prone to speculative investment or closely related with rural incomes were excluded from the liberalization list, along with the banking, insurance and aviation, ministry officials said.

Hyundai Labor Union Dispute Continues

President 'Carefully Watching'

SK1806054893 Seoul YONHAP in English 0519 GMT 18 Jun 93

[Text] Seoul, June 18 (YONHAP)—President Kim Yong-sam said on Friday he was carefully watching labor disputes that have broken out at affiliates of the Hyundai Group and the government would take proper measures when necessary. The government would not take sides, but would strictly enforce the law against any violations irrespective of whether they were perpetrated by management or by the union, Kim told a breakfast meeting with representatives of 15 businesses well-known for their exemplary labor-management harmony.

"I am worried by a labor dispute among affiliates of Hyundai in Ulsan at a time when the economy is showing signs of recovery at home and abroad and when industrial competitiveness is rising. "The wages in Hyundai are high when compared with other industrial companies. Labor disputes have occurred almost every year in Hyundai affiliates, however, so there seem to be problems with management's sincerity," he said. "I am also concerned if it isn't the case that the workers of Hyundai are going too far in pursuit of their interests."

Quick End to Dispute 'Unlikely'

SK1806091293 Seoul YONHAP in English 0740 GMT 18 Jun 93

[Text] Ulsan, South Kyongsang Province, June 18 (YONHAP)—A quick end to the worsening labor disputes on the production lines of Hyundai Group affiliates in Ulsan is unlikely due to the slow moves being made by the parties directly involved and the government. At Hyundai Motor Co., where partial job actions by unionized workers began two days ago, an agreement was reached Friday between management and the union to separate wage negotiations from collective bargaining. But insiders saw scant chances of seeing an early agreement on either negotiations.

The two sides on Thursday agreed on only two of 95 unsettled issues in the collective bargaining. With shift-work shortened by eight hours a day due, production losses amount to 1,600 cars a day worth 12 billion won (15 million U.S. dollars).

Hyundai Precision and Industry Co., in the 14th day of strike, held its sixth round of talks with the union Friday but failed to get any closer to a compromise on the pay issue. Yi Suo-pu, director of labor and management affairs at the Labor Ministry, arrived in Ulsan late on Thursday and urged an immediate halt to the allegedly illegal strike by the union while asking management to accept their demands as much as possible. Some 200 representatives of subcontractors called for resumption of manufacturing now with negotiations afterward.

The Hyundai Electrical Engineering Co. Union and Hyundai Construction Equipment Co. Union, which decided on job actions on Wednesday, have downed tools for two hours a day to demand better working conditions. They have not started contract negotiations. The Hyundai Metal Co. Union decided to stage job actions Thursday, and began to stop work for two hours a day.

The prosecution has summoned leaders of the Hyundai Precision and Industry Co. Union and is examining the legality of involvement by the federation of Hyundai Trade Unions. Meanwhile, in a briefing on the spreading labor disputes at Hyundai affiliates, Vice Labor Minister Kim Hun-ki told Prime Minister Hwang In-song that the situation neither allowed for optimism nor was so serious as to cause grave concern.

There was still room for a negotiated settlement and the government should be careful not to react too sensitively and make matters worse, Kim said. The government should wait and see, and encourage labor and management to solve the problem between themselves, he said.

Seoul Not To Allow Collective Action

SK2006010793 Seoul THE KOREA HERALD in English 20 Jun 93 pp 1, 9

[Text] The government will not allow labor unions at Hyundai companies to take collective action in their negotiations on wage increases, Minister of Labor Affairs Yi In-che said yesterday. Yi's remarks were apparently directed at a federation of unions at companies belonging to the Hyundai Business Group, which were suspected of coordinating strategy for negotiating with individual Hyundai companies.

At a conference of economic ministers, Yi said the government will help promote an early settlement of labor disputes at Hyundai Motor Co. and five other Hyundai companies in Ulsan, South Kyongsang Province. President Kim Young-sam presided over the conference held at the Economic Planning Board to review the government's burden-sharing program for economic recovery.

"We will try to help settle and prevent disputes at Hyundai companies in Ulsan, which will act as a watershed of labor-management relations for this year," Yi said. The government, he said, will also help promote compromises at the outset of labor-management negotiations at 28 large, strife-prone corporations.

Another 200 small and medium-sized companies prone to labor-management conflict will be placed under the scrutiny of the government, he said. As of June 14, he said, 38.6 percent of the 5,511 businesses employing 100 workers or more concluded negotiations on wage increases, which averaged 4.6 percent.

However, only 23.3 percent of core companies of the top 30 business groups have concluded negotiations, he said. The number of labor disputes has declined to 65 percent from 123 during the period from Jan. 1 to June 14 last year to 43 during the corresponding period this year.

"Workers are exercising self-restraint in their demands," Yi said. Businesses are also promoting self-restraint by not raising the prices of their products, Minister of Trade, Industry and Energy Kim Chol-su said.

He said they have been offsetting cost increases by promoting productivity gains since the Federation of Korean Industries and four other major business organizations resolved in March to freeze prices for one year. While sugar makers have not raised prices despite 8.5 percent cost increases, Kim said, auto companies are promoting automation and higher productivity to offset a 3 percent cost increase.

As a result, he said, producer prices have gained a negligible 0.1 percent since March 25. Increases in service charges are also moderating, said Minister of Home Affairs Yi Hae-ku.

Service charges in the private sector declined to 0.7 percent in April and 0.3 percent in May from the March high of 1.9 percent. As public officeholders and others in leadership positions are participating an anticorruption campaign, Yi said, society as a whole is becoming more frugal.

He said the government will promote the revision of laws to levy higher-rate taxes on luxury entertainment houses to further promote thrift. Deputy Prime Minister and Minister of Economic Planning Yi Kyong-sik said more than 1.5 trillion won in savings from the public sector budgets will be spent during the first half of this year, as scheduled, to help small and medium-sized companies.

The savings include 508.5 billion won from the national budget, 529.4 billion won from the local government budgets and another 551.8 billion won from the budgets for government-invested corporations. Charges for long-distance calls between a city and suburban areas will be reduced to the level of intracity call charges beginning July 1, Deputy Prime Minister Yi said. Public service charges, including phone call charges, are estimated to rise 6.8 percent on average this year, down from 7.8 percent last year, he said.

Production Cut by 1,600 Cars Per Day

SK2106031893 Seoul YONHAP in English 0111 GMT 21 Jun 93

[Text] Seoul, June 21 (YONHAP)—Hyundai Motor Co., Korea's biggest carmaker, is slipping further off its pedestal as job actions at its assembly plant have cut production by 1,600 cars a day, worth 12 billion won (15 million U.S. dollars), since June 16.

Hyundai held 44.7 percent of the market in the first five months this year, followed by Kia Motors Co. with 30.7 percent and Daewoo Motor Co. with 12.6 percent. In May, however, Kia was first with sales of 40,237 cars and 36.4 percent of the market while Hyundai dropped to 35.4 percent and sold 39,083 cars.

Industry sources say that Hyundai's setback last month was temporary as a result of a labor dispute at its supplier Apollo Industrial Co., but if output continues to be reduced then Kia and Daewoo were likely to make further gains in market share. Sales of Hyundai's Sonata II have already been affected by the Apollo strike last month, and strikes at Hyundai Precision and Industry Co. are likely to disrupt production of Gallopers just when Kia and Ssangyong Motors Co. are poised to roll out new versions of its competitor.

Kia's sportage is due in showrooms early next month and Ssangyong will start selling its future jeep in August. Hyundai is also feeling threatened by Kia's sales of

11,830 sephias and 10,382 prides last month while it was idle because of the Apollo strike.

Daewoo, which has been doing relatively well in the 1,800-2,000cc bracket with its Prince, hopes to make use of Hyundai's troubles to propel sales of the 1993 models of its Prince, Super Salon, and 3 liter Brougham. Hyundai says it will have no problem regaining its market status once the dispute is settled as it holds 44.5 percent of the market in terms of orders for cars.

Seoul To Send Team to Somalia Despite Fighting

SK1906081593 Seoul YONHAP in English 0525 GMT 19 Jun 93

[Text] Seoul, June 19 (YONHAP)—Seoul is closely watching developments in Somalia but does not plan any change in plans to dispatch its main Peacekeeping Operations (PKO) team next month, Defense Ministry officials said Saturday. The 250-man contingent of Army engineering and construction personnel would be posted in Balad, 30 kilometers north of Mogadishu and out of range of the fierce fighting between U.N. peacekeepers and the forces of Somali Warlord Gen. Mohamed Farrah Aidid, the officials said.

The government was ready to increase the self-defense capabilities of its team if fighting intensified and might delay dispatch of the main contingent if the situation developed for the worse, they said. But there is no change of plan at this point, and it wouldn't be too late for a change of mind after the advance team reported back following its on-site inspection, the officials said. The advance team left for Somalia on June 15 and is expected to arrive there on June 26.

Departure Date Moved to 29 Jun

SK2206034093 Seoul YONHAP in English 0244 GMT 22 Jun 93

[Text] Seoul, June 22 (YONHAP)—An advance party of Korean U.N. peace-keeping troops will leave for Somalia from Seoul airport on June 29 instead of the planned June 24, the Defense Ministry announced on Tuesday. The postponement was due to a delay in arranging a plane by the United Nations, not due to recent developments in the situation in Somalia, the announcement said.

The main party of the peace-keepers will be dispatched on July 14, as scheduled. Army chief staff Gen. Kim Tong-chin exhorted the advance party to do their best in U.N. peace-keeping operations as "proud Koreans" after he received the departure report on Tuesday.

DLP Plans To Improve Reserve Forces Operations

SK1906020993 Seoul THE KOREA HERALD in English 19 Jun 93 p 2

[Text] The ruling Democratic Liberal Party (DLP) yesterday put forward a bill to improve the operations of the

country's Homeland Reserve Forces (HRF) and to reduce the ranks of the HRF. Under the DLP plan, the reserve troops will be streamlined to reinforce their "substantive" defense readiness.

Rep. Kang Sam-chae, the second chief of policy coordinator of the ruling DLP, said the numbers of the 4 million-strong reservists will be sharply reduced by lowering the maximum age of the troops, overhauling their number of exercises and cutting the budget of the HRF. The plan was made in accordance with President Kim

Young-sam's directive to revamp the current HRF system following the Yonchon artillery range explosion last week that killed 17 reservists and three active servicemen.

Currently, people discharged from the military service as enlisted men are required to be enrolled by the HRF until they are 33 years old. The reserve troops are divided into "conscripted" reservists who are subjected to relatively tough mobilization drills and "ordinary" reservists.

Burma**Discussions Continue on Basic Principles of State**

BK1906115193 Rangoon Burma Television Network in Burmese 1330 GMT 18 Jun 93

[Text] Groups of National Convention delegates representing national races, members of the intelligentsia and technocrats, and public service personnel continued their panel discussions in their respective meeting rooms at 1000 this morning in the Kyaikkasan Grounds, Yangon [Rangoon]. The group discussed the fundamental principles of the state to be enshrined in the state constitution.

The national races group continued their panel discussion on prescribing fundamental state principles for the state constitution in the Meeting Room No. 1. U Kyi Nyunt of Yangon Division chaired the meeting and U San Tun acted as the secretary of the meeting.

At the meeting, the presiding chairman presented the explanation of U Tha Tun, deputy chairman of the National Convention Convening Work Committee [NCCWC], made this morning at the NCCWC coordination and Panel of Chairmen meeting at the Saya San Hall in the Kyaikkasan Grounds. The meeting ended at 1030 after a decision was made to resume the discussions at 1000 on 21 June.

The group representing members of the intelligentsia and technocrats continued their discussions on the same subject in Meeting Room No. 3. U Hla Myint, head of office of the Ministry of Education, chaired the meeting and U Han Htu acted as its secretary.

Following the presiding chairman's explanation on the prescription of fundamental state principles to be enshrined in the constitution, the following delegates presented their suggestions. They were: U Tin Maung, director general of the Pension Department; U Min Naing, artist; and Dr. May Win Aung Khin, head of the Department of Pharmacology of the Yangon Institute of Medicines No.2. After a short recess, the meeting resumed in the afternoon. U Khin Zaw, movie director; U Thein U Po Saw, nuclear scientist; Dr. Mya U, rector of the Yangon Institute of Medicines No. 1; Dr. Khin Maung Htu, orthopedist and professor of the Yangon Institute of Medicines No. 1; Daw Yi Yi Myint, joint head of Department of Planning of the Institute of Economy; and U Ne Soe Naing, chief engineer of the People's Construction Enterprise, gave their suggestions in this discussion. The meeting ended at 1500 after the chairman's closing address and will resume at 1000 on 21 June.

The public service personnel group which also continued their panel discussion on the same subject met at Meeting Room No. 8. U Khin Maung Htu of ministry of transport chaired the meeting and U Hal Win acted as the secretary.

At the meeting, the presiding chairman presented the explanation of NCCWC deputy chairman U Tha Tun made at the NCCWC and the Panel of Chairmen coordination meeting this morning at the Saya San Hall in the Kyaikkasan Grounds. Then U Khun Ba Yin of Ministry of Education discussed and presented their suggestions. The meeting ended at 1045 after the chairman's closing address.

Further Discussions 21 Jun

BK2206043593 Rangoon Burma Television Network in Burmese 1330 GMT 21 Jun 93

[Text] Groups of National Convention delegates representing political parties, elected representatives, national races, peasants, workers, and special invitees continued their panel discussions this morning in their respective meeting rooms in the Kyaikkasan Grounds, Yangon [Rangoon].

The group representing the political parties held its panel discussion on the prescription of fundamental principles of the state to be enshrined in the state constitution at 1000 today in Meeting Room No. 5. U Saw Philip, alias U Philip Sam, of the Wa National Development Party chaired the meeting and U Zeya acted as secretary of the meeting.

The presiding chairman explained the points submitted by U Tha Tun, deputy chairman of the National Convention Convening Work Committee [NCCWC] at a coordination between the NCCWC and the panel of chairmen held on 18 June in Saya San Hall, the Kyaikkasan Grounds. Next, U Sai Soe Nyunt of the Shan Nationalities League for Democracy, U Khaung Paing of the Shan State Kokang Democratic Party, U Maung Maung Htwe of the Mro or Khami National Solidarity Party, U Yaw Aye Hla of the Lahu National Development Party, and U Marcos alias U Saw Lwin of the Wa National Development Party submitted the reports of the respective parties to the presiding chairman.

The meeting ended at 1020.

The group representing elected representatives held its panel discussion on the prescription of the fundamental principles of the state for the state constitution at 1000 today in Meeting Room No. 4. U Mahn Tin Aung Than of the Union Karen League chaired the meeting and U Myo Nyunt acted as secretary of the meeting.

The presiding chairman explained the points presented by U Tha Tun, deputy chairman of the National Convention Convening Work Committee [NCCWC] at a coordination between the NCCWC and the panel of chairmen held on 18 June in Saya San Hall, the Kyaikkasan Grounds.

U Khun Tun Oo of Shan Nationalities League for Democracy, Hsipaw constituency-1, Southern Shan State; U Soe Myint alias Thakin Soe Myint of the National League for Democracy [NLD], South Okkalapa constituency-1, Yangon Division; Dr. Aung Khin Sint [of

the NLD], Mingala-Taungnyunt constituency-1, Yangon Division; and U Khin Maung Cho, independent, Dimawhso constituency, Kayah State participated in the discussions.

The meeting ended at 1040 after a decision was made to resume at 1000 on 24 June.

The group representing national races held its panel discussion on prescribing fundamental principles of the state for the state constitution at 1000 today in Meeting Room, No. 1. U Khin Maung Si of the Irrawaddy Division chaired the meeting and U San Tun acted as secretary of the meeting.

U Nyi Lin and U War Yekyar of the Kachin State, U Myint Swe and U Hkun La Saw of the Sagaing Division, U Khin Maung Swe of the Tenasserim Division, U Tin Hlaing of the Pegu Division, and U Aye Win of the Magwe Division participated in the discussions. The meeting ended at 1155 after deciding to resume at 1000 on 22 June.

The group representing peasants held its panel discussion on prescribing fundamental principles of the state for the state constitution at 0930 in Meeting Room No. 7. U Maung Maung Thein of Myingyan, Mandalay Division, chaired the meeting and U Thant Zin acted as secretary of the meeting.

The meeting ended at 1030 after the following delegates had participated in the discussions: U Shei Yei of Loikaw Township, Kayah State; U Aung Pe alias U Aung Thein of Hlaingbwe Township, Karen State; U Ma Bun, Matupi Township, Chin State; U Bwal Ku, Kale Township, Sagaing Division; and U Maung Lwin, Yegyi Township, Tenasserim Division. The meeting will resume at 0930 on 22 June.

The group representing workers held its panel discussion on prescribing fundamental principles of the state for the state constitution at 1000 in Meeting Room No. 6. U Bo Myint of Monywa Township, Sagaing Division, chaired the meeting and U Khin Maung Win acted as secretary of the meeting.

The meeting ended at 1030 after U Tin U of Meiktila Township, Mandalay Division and U Shwe Than of Dala Township, Yangon Division participated in the discussions.

The group representing special invitees held its panel discussion on prescribing fundamental principles of the state for the state constitution at 1000 in Meeting Room No. 2. U Ko, retired ambassador, chaired the meeting and U Soe Lwin acted as secretary of the meeting.

The presiding chairman explained the points presented by U Tha Tun, deputy chairman of the NCCWC, at the coordination meeting between the NCCWC and the panel of chairmen on 18 June. The meeting ended at 1025 after a decision had been made to resume at 1000 on 24 June.

Education Minister Leaves for Regional Conference

BK2006071193 Rangoon Radio Burma in Burmese 1330 GMT 19 Jun 93

[Text] Myanmar [Burmese] delegation led by Colonel Pe Thein, minister of education, left Yangon [Rangoon] by air this morning to attend the Sixth Conference of Education Ministers from the Asia-Pacific Region, organized by the UNESCO and Economic and Social Commission for Asia and the Pacific, to be held in Kuala Lumpur, Malaysia on 21-24 June.

The delegation was sent off at the airport by Brigadier General Win Tin, minister of finance and revenue; U Than Aung, minister of cooperatives; Colonel Kyi Maung, deputy minister of education; director generals of the departments and organizations, chairpersons of the organizations, responsible personnel, and family members.

The delegation members—U San Goke, director general of the Department of Planning of the Ministry of National Planning and Economic Development; and Lieutenant Colonel Khin Soe, personal aide to the minister—accompanied the minister.

U Hla Tin, rector of the Institute of Education and one of the delegation member, left Yangon on 12 June to attend the meeting of the Educational Cooperation Advisory Committee for Asia-Pacific held in Kuala Lumpur, Malaysia on 14-17 June. He will also attend the Conference of Education Ministers together with other Myanmar delegation members.

Brunei, Malaysia & Singapore

Malaysia

Advance Troops Leave for UN Duties in Somalia

BK1906113893 Kuala Lumpur BERNAMA in English 0325 GMT 19 Jun 93

[Text] Kuala Lumpur, June 19 (OANA-BERNAMA)—A 50-member advance party of a Somalia-bound Malaysian battalion left here late Friday [18 June] for United Nations peace enforcement duty there. They were airlifted by Royal Malaysian Air Force Hercules C-130 aircraft through Colombo and the Seychelles in two flights.

The advance party is part of the 870 men Malaysia promised to send to serve in Somalia under the UN and will join six other personnel who are already in Somalia.

UN Malaysian battalion (Malbatt) commander Colonel Abdul Latiff Ahmad who was in the advance party said the battalion was expected to be in Somalia for between six and eight months. The battalion will be replaced by another unit if the tour of duty extends beyond that period, he said.

The main party would leave in stages from June 29 till July 4. Malaysian forces are expected to be based in the north and south of Mogadishu to help non-government organisations in humanitarian activities.

Radio: Rights Conference Failure if Bosnia Ignored

BK2106102093 Kuala Lumpur Radio Malaysia Network in English 0800 GMT 21 Jun 93

[Text] Malaysia feels the human rights conference in Vienna will be a failure if it ignores the festering issue of Bosnia-Herzegovina. A motion for the issue to be discussed had been made by Pakistan following a separate meeting by the Islamic Conference Organization, ICO, countries attending the United-Nations-sponsored meeting.

Foreign Minister Datuk Abdullah Haji Ahmad Badawi says there are already signs that the motion will be dismissed by the developed and advanced countries. If this happens, the conference will be a failure. He told newsmen this at the Kuala Lumpur Airport on his return from the Austrian capital. He said the border of the countries Serbia and Montenegro, which is perpetrating the worst of acts against humankind blatantly, is just about 200 km from Vienna.

The ICO contact group led by Pakistan and Malaysia wants to include a special declaration on Bosnia in the final resolution of the conference, but is reported to be facing strong opposition from the United States, Japan, and the European Community, EC, countries.

Some 10,000 government leaders, foreign ministers, representatives of nongovernmental organizations, and observers from UN countries are attending the two-week conference which ends on Friday.

Datuk Abdullah said progress in the discussions over the 37-page draft resolution that would be basis for the conference declaration was very slow. However, he added that the declaration that human rights and the rights to development was inseparable had been agreed upon after the Western delegations relented to demands, especially from the ASEAN countries. He said that to reach a formal agreement on the human rights issue would take time as it involves many aspects such as development, and other rights for the human being, such as shelter, health care, education, employment, and political and economic stability. The minister said as usual there were some advanced countries which liked to bulldoze their way into having a declaration favoring them.

Singapore

Opposition Party Secretary General Resigns

BK1806145093 Singapore Singapore Broadcasting Corporation in English 1400 GMT 18 Jun 93

[Summary from poor reception] Mr. Chiam See Tong has resigned as secretary general of the Singapore Democratic Party [SDP]. The assistant general secretary, Dr.

(Chee Keng Chuan) will be acting secretary general. The stepping down is in line with the party's policy of recruiting a younger generation of leaders.

The SDP stressed the need to reallocate administrative duties and share of workload of the leadership. This is because the party has increased its representation in parliament. The SDP says Mr. Chiam has a heavy duty as a member of parliament, party's secretary general, and chairman of the Potong Pasir Town Council. His resignation will allow him to concentrate on the party's parliamentary affairs and his constituency.

Cites 'Serious Differences'

BK2006071593 Singapore THE STRAITS TIMES in English 19 Jun 93 p 1

[By Zuraidah Ibrahim and Chiang Yin Pheng]

[Text] Mr Chiam See Tong has resigned as secretary-general of the Singapore Democratic Party (SDP). He said last night that he wished to signal to Singaporeans that there were serious differences between him and the rest of the party leadership.

As provided for under the party's constitution, Dr Chee Soon Juan, the assistant secretary-general, will be acting secretary-general.

The leadership change was announced in a press statement signed by SDP chairman Ling How Doong, on behalf of the party's Central Executive Committee [CEC].

The two-page statement said Mr Chiam who is the unofficial leader of the Opposition and MP for Potong Pasir, will remain as the party's Parliamentary leader.

Shown the statement when he returned to his Bukit Timah home after 11 pm, Mr Chiam told reporters: "This reads like a political obituary. But I am not politically dead.

"I wish to say to the people of Singapore that I am very much politically alive."

Looking visibly upset as he read the statement under the light of a street lamp, Mr Chiam, who submitted his resignation earlier this month, pointed out several factual errors.

"This is the chairman and he does not know when the party was formed. It was 1980, not 1981. And they do not even know that I got 60 percent in the 1984 elections."

The statement had also said Mr Chiam, 58 was stepping down to "further the party's policy of nurturing a younger generation of leaders".

But Mr Chiam said: "This statement does not reflect the true reasons for my resignation... The act of resigning is basically to show members of SDP and the people of

Singapore that there are people in the party who do not share the same vision as myself."

He declined to give further details about the nature of the differences between him and the other CEC members, but indicated that they did not share his vision of institutionalising the opposition.

"The opposition is not fully entrenched. We should work towards that end. I hope these people will be pursuing these ends, because this must be the reason you enter opposition politics."

He added that he took people at face value and hoped that people who joined the opposition wanted only to further its cause. "But unfortunately, things are not as easy as that. It's become very complicated."

He suggested that Singaporeans visit the other SDP town councils to judge for themselves. Again, he declined to elaborate.

The other two SDP MPs are Mr Ling (Bukit Gombak) and Mr Cheo Chai Chen (Nee Soon Central).

Mr Chiam indicated that he might run for his seat in the next CEC election in 1995.

Yesterday's press statement noted that Mr Chiam had borne a heavy workload since the early years of the party—besides being secretary-general, he is MP, chairman of its town council and a practising lawyer.

"Mr Chiam's stepping down will enable him to concentrate on the party's parliamentary affairs and on his constituency," it said.

Describing Mr Chiam's resignation as "a milestone in the party's political development and for opposition politics in general", the statement paid tribute to his efforts in steering the SDP into Parliament in 1984.

It said Mr Chiam had consolidated his position in Potong Pasir and had proven difficult to beat, by increasing his share of the vote there from just over 50 per cent to nearly 70 per cent at the 1991 general election.

Before founding the party with the late Mr Fok Tai Loy and others in 1980, the teacher turned-lawyer fought unsuccessfully in the 1976 general election and the 1979 by-election in Potong Pasir as an independent candidate.

When contacted last night, Dr Chee said he had nothing to add beyond what was "released collectively" in the statement.

He said: "SDP will continue in its struggle to entrench the opposition in Singapore and to get democracy firmly rooted in our political system."

Troops Return From UN Mission in Cambodia

BK2006144893 Singapore Singapore Broadcasting Corporation in English 1400 GMT 20 Jun 93

[Text] Singapore Armed Forces personnel returned from their mission in Cambodia today. The 65 men and four Super Puma helicopters were involved in the Cambodian elections late last month and were deployed in the northern province of Stung Treng.

The men were met on arrival at the Sembawang Air Base by the chief of Defense Force, Major General Ng Jui Ping, and their family members. There are still a 75-member Singapore police contingent in Cambodia serving as UN civilian police. They are expected to return home in September.

Cambodia

Sihanouk Clarifies Role of Army Commander in Chief

BK2206064693 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 22 Jun 93

["Clarification" signed by Prince Norodom Sihanouk; dated 21 June—read by announcer]

[Text] As head of state, in accordance with the fine tradition set up in many countries, such as in liberal democratic countries, I am the commander in chief of the country's armed forces. However, this does not mean that I am really in charge of the army.

The Cambodian head of state will become a liberal democrat in the Western style in accordance with a parliamentary regime and not a presidential regime.

Therefore, it is not and there is no problem for me to really lead the government and assume the role of commander in chief of the Cambodian armed forces. The only persons responsible for administrative and national defense affairs are the cochairmen of the government and the co-ministers of the National Defense Ministry.

[Dated] Royal Palace, 21 June

[Signed] Norodom Sihanouk

Ranariddh on Control of Defense, Interior Ministries

BK2206084693 Hong Kong AFP in English 0748 GMT 22 Jun 93

[Text] Phnom Penh, June 22, (AFP)—The key defence and interior portfolios for Cambodia's interim government will be jointly headed by FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] leader Prince Norodom Ranariddh and Phnom Penh party prime minister Hun Sen, Prince Ranariddh said Tuesday.

"We will take care together, Hun Sen and I, of those two very sensitive ministries," the prince said.

The announcement, previously been made by Cambodian People's Party spokesman Khieu Kanharith, was confirmed by the FUNCINPEC leader when he flew into the capital Tuesday.

The prince arrived for talks with U.S. Deputy Secretary of State Clifton Wharton, the highest ranking U.S. official to visit the country in 20 years. Wharton was on a one day visit to Phnom Penh to hold discussions with the two party leaders, Prince Norodom Sihanouk and the chief of the U.N. peacekeeping mission Yasushi Akashi.

Two vice ministers, one from FUNCINPEC and one from the Cambodian People's Party, will also be appointed to the ministries, Prince Ranariddh said.

The formation of an interim government was announced last week after turbulent negotiations. But debate over the allocation of the ministerial portfolios is still ongoing. Prince Ranariddh, however, said an agreement had been reached giving his party the finance portfolio.

"We agree that FUNCINPEC will take over finance because I think maybe as we're not communists, we will be able to get more money from Westerners or Western countries," the prince said.

"It is important that the Cambodian People's Party and His Excellency Hun Sen trust FUNCINPEC and we are all together," the prince added.

U.S. State Department Delegation Visits 22 Jun

*BK2206072093 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 0430 GMT
22 Jun 93*

[Text] A delegation of the U.S. State Department led by Clifton Wharton, assistant secretary of state, arrived in Phnom Penh, capital of Cambodia, at 0900 on the morning of 22 June for a one-day visit.

Upon arriving at Pochentong International Airport, the delegation was cordially welcomed by Long Visalo, deputy foreign minister of the State of Cambodia [SoC]; His Excellency [H.E.] Charles Twining, special envoy of the United States accredited to Cambodia; and many embassy officials.

During this visit, Wharton will meet and hold talks with His Royal Highness Prince Norodom Sihanouk, head of state, father of the nation, and chairman of the Supreme National Council of Cambodia, and meet with H.E. Hun Sen, vice chairman of the Cambodian People's Party and prime minister of the SoC, and Prince Norodom Ranariddh, chairman of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party.

Hun Sen Receives Delegation

*BK2206131793 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1100 GMT
22 Jun 93*

[Text] On the afternoon of 22 June, His Excellency [H.E.] Hun Sen, vice chairman of the Cambodian People's Party [CPP], prime minister of the State of Cambodia, and member of the Supreme National Council, held cordial talks with Clifton Wharton, U.S. assistant secretary of state.

H.E. Hun Sen pointed out the positive steps in the national reconciliation process in Cambodia and the vigorous cooperation between the two parties, namely the CPP and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia]. He said he is happy because today H.E. Yasushi Akashi, chief of UNTAC [UN Transitional Authority in Cambodia], took a good step on setting up a neutral and unbiased commission to investigate irregularities in the May election.

H.E. Hun Sen also stressed the necessity to provide urgent budget aid to the new government in order to pay the salaries of administrative workers who, despite their great numbers, are indispensable. No one component can be dissolved until there is a budget.

Clifton Wharton praised H.E. Hun Sen for recognizing the results of the recent election, saying this will facilitate national reconciliation and is a move toward serving the interests of the entire Cambodian people. Mr. Wharton said that the great participation of various Cambodian parties in the election confirmed that the Cambodian people do want peace and democracy.

The U.S. assistant secretary of state stressed that the U.S. Government continues to support the democratic process in Cambodia. Mr. Wharton pointed out the necessity for the two parties, namely the CPP and FUNCINPEC, to cooperate well with each other because this is a firm basis for moving toward a durable peace in Cambodia.

Hun Sen Issues Circular on Ownership, Property

*BK2206071593 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 0430 GMT
22 Jun 93*

["Circular" signed by Hun Sen, chairman of the Council of Ministers; dated 21 June—read by announcer]

[Text] At present, the situation in the country and the nation is in a conciliatory and national reconciliation mood to move toward peace and progress for the country and the nation under the leadership of His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council.

In this spirit the two major parties of FUNCINPEC [National United Front for an Independent, Neutral,

Peaceful, and Cooperative Cambodia] and the Cambodian People's Party [CPP], which received most support in the recent election, along with the Buddhist Liberal Democratic Party [BLDP] and Moulinaka [National Liberation Movement of Cambodia], have agreed on a formula to set up a provisional national government of Cambodia to administer the country during the transitional period. This has pleased public opinion in general. The international community, like UNTAC [UN Transitional Authority in Cambodia], has also welcomed this.

Recent unrest in some provinces has died down and the situation has returned to normal. To ease the situation and avoid clashes among various political forces, which emerged during the election campaign and following the announcement of the election result, and in order to further improve the social situation, the Council of Ministers would like to give the following guidance to ministries, services, state units, and all levels of state authority:

1. Continue to respect the legitimate political rights of the people. For members of some political parties who are afraid and have left their localities for various reasons, all levels of state authority should provide favorable conditions for these people to return to their homes and earn their living normally with a peaceful and legitimate political and social life.

Along with this, all strata of people should be encouraged to strengthen their spirit of unity and mutual understanding. All citizens should be urged to correctly abide by law and to contribute to maintaining security and social and public order in their localities.

To carry out this task well and with quick results, all levels of state authority should create appropriate conditions for good relations and cooperation with various political parties.

2. Before the provisional national government of Cambodia is set up and while this government has not yet issued laws, norms, and official documents, all laws, norms, and official documents of the State of Cambodia remain valid.

As for the issue of ownership, the two parties, FUNCINPEC and CPP, have agreed to maintain the current legal ownership of citizens. Creating anarchy in violation of public property and private ownership of citizens is considered a violation of the law.

3. All ministries and services, administrative units, and all levels of state authority should continue to educate administrative officials and employees under their jurisdiction to further increase the spirit to consolidate working procedures and adhere well to discipline and internal regulations. Each unit should increase efforts to protect and look after immovable and movable property of the unit, state property, and public property.

Those causing damage and loss of state and public property will be punished in accordance with the existing law.

[Dated] 21 June

[Signed and Sealed] Hun Sen, Chairman of the Council of Ministers

'Urgent' Fund for Forces, Government Granted

*BK1806132993 Hong Kong AFP in English 1304 GMT
18 Jun 93*

[Text] PHNOM PENH, June 18 (AFP)—An international conference ended here Friday with donor nations agreeing on the urgent need for funding to pay Cambodia's police, military and civil servants during the country's crucial transitional period. The attending nations—the five permanent members of the U.N. Security Council plus Japan, Australia, Germany, Indonesia, Thailand and Canada—were asked to provide 30 million U.S. dollars in the remaining three months of the United Nations Transitional Authority in Cambodia (UNTAC) mandate.

"We are determined to urgently look for appropriate solutions permitting the furnishing of this concrete aid in cooperation with other countries," the donors' final statement said. "We are fully conscious of the necessity... to see UNTAC bring its support to the transitional period in furnishing financial aid to restore the existing administrative structures, police and army," it said.

But Jean-David Levitte, head of the French Foreign Ministry's Asian affairs department and a co-chairman of the conference, said any money granted to Cambodia would be conditional. Paying soldiers, police and civil servants "is on the condition that they are loyal to the new authorities who are forming a provisional government in the coming days," Levitte said.

The donors also said the World Bank was ready to resume negotiations with Cambodia for a 67 million dollar loan which fell through this year due to factional squabbling.

Prince Norodom Sihanouk and other Cambodian leaders also met the donors during the two-day conference and thanked them profusely for their contributions to Cambodia so far.

"It is very clever and wise of you to think about the future of Cambodia, not just the present situation," Prince Sihanouk said. The goal of the aid, he said, is "to make Cambodia a truly democratic and free country and stable state which would not be threatening peace and security of the neighboring countries."

UNTAC chief Yasushi Akashi thanked the 11 countries participating in the informal meeting for their interest in Cambodia.

"There is a unanimous agreement that something has to be done and should be done," Akashi told the meeting.

"but as to the modalities as to how to do it, there are still a few more matters that have to be agreed upon."

Whether foreign nations' donations will be assessed as part of their obligation to the United Nations or whether they will be voluntary contributions has not yet been decided, Levitte said.

Akashi also said the Cambodians must decide what kind of presence the United Nations will have in the country after the UNTAC mandate ends and a new government is formed.

"It should not be imposed by outside powers," Akashi said.

The meeting was attended by former prime minister Son Sann and Ieng Muli of the Buddhist Liberal Democratic Party (BLDP, Hor Namhong, of the Phnom Penh government and Prince Norodom Ranariddh and Sam Rainsy of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] party.

The Phnom Penh government has asked the international community for significant aid to help pay civil servants, who will become part of a new interim coalition government whose details have yet to be worked out. The Phnom Penh government has an enormous budget deficit, according to an UNTAC background paper prepared for the conference.

Currently, a mid-level official in a ministry in Phnom Penh makes about nine or 10 U.S. dollars per month. But the average income per Cambodian is 200 to 210 dollars per month, according to the UNTAC paper, a situation which encourages petty corruption just to survive.

Vietnam, which was not invited to the conference, has protested its exclusion.

Party Paper Calls for Unity, Reconciliation

*BK1906092593 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 2300 GMT
18 Jun 93*

[PRACHEACHON editorial: "Unite and Work To Build the Country;" date not given]

[Text] Lately the political situation in Cambodia underwent great changes that almost no one expected. Just one day after that solemn and historic inauguration of the Constituent Assembly, its members unanimously agreed to hand over full and special powers to His Royal Highness [HRH] Prince Norodom Sihanouk as the legitimate head of state since 1970. The prince has, in the few days since, made every effort to reconcile the nation, to bring Cambodian politicians together to rebuild the nation, and to give the entire nation genuine and long-lasting peace.

With national pride and great optimism for the Cambodian people nationwide, the prince and top Cambodian politicians of the three major parties the citizens have supported through the election, decided to pave the way for the establishment of a Cambodian provisional national government. We can see that the best (?way) to move toward peace and national reconciliation, as Cambodia had known inestimable suffering in the period they have been divided, is the elimination of animosity among the politicians. As the prince has said: There should be no winner, no loser; we are real brothers. The future of our country and nation's destiny bodes well under the correct and unbiased leadership of HRH Prince Norodom Sihanouk, Cambodia's head of state and father of our nation.

From now on, whether or not our poor motherland will achieve genuine peace clearly depends on whether national unity, reconciliation, and the union of the entire nation can be obtained, and whether the agreement among top Cambodian politicians is sincere. The greatest desire of the Cambodian people, who took part in great numbers in the election from 23 to 28 May, is to have peace. Next comes national development. These aspirations are now within the grasp of those elected Cambodian politicians.

Every one of our people has welcomed the establishment of the Cambodian provisional national government, a major bridgehead toward stability in the current transition before the transfer to a new government. For the provisional government to avoid various obstacles which could hinder its progress, what is most important now is national reconciliation and what our people ardently want to achieve. The prince father has already said this.

The Cambodian People's Party [CPP], which is a major party in the implementation of the Paris agreement, is already determined to follow the prince father unconditionally under all circumstances. Therefore, what the prince father wants and what the Cambodian people want are the real aspirations of the CPP.

Hun Sen Receives Letter From Political Party Leader

*BK1906061093 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 0430 GMT
19 Jun 93*

[Text] His Excellency [H.E.] Hun Sen, prime minister of the State of Cambodia and member of the Supreme National Council, received a message from Ret Samret, leader of the Liberal Reconciliation Party, on 17 June. The message says in essence:

First, on behalf of all my supporters, I would like to sincerely appreciate your cooperation with UNTAC [UN Transitional Authority in Cambodia] and your implementation of the October Paris agreement, which enabled the holding of the election in Cambodia from 23 to 28 May 1993. Second, I firmly believe that the Cambodian constitution will be adopted in 90 days with

the cooperation of your party under the leadership of H.E. Chea Sim and yourself, who are patriotic Cambodians. Third, all innocent and peace-loving Cambodian hope that national reconciliation, economic progress, and peace will take place in the near future.

Chea Sim Receives Japanese Foreign Ministry Team

BK2006050893 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 20 Jun 93

[Text] His Excellency [H.E.] Chea Sim, chairman of the Cambodian People's Party, received and held cordial talks with a delegation from the Japanese Foreign Ministry led by Ikeda, chief of the Asia Department of the Japanese Foreign Ministry, at 1030 on the morning of 19 June.

H.E. Chea Sim welcomed the visit by the delegation of the Japanese Foreign Ministry in Cambodia at a time when Cambodian political parties are uniting to set up a Cambodian provisional national government. H.E. Chea Sim conveyed greetings to the leadership of the royal Japanese Government and thanked the royal Japanese Government for its successive assistance to Cambodia for peace and national reconciliation in Cambodia.

Ikeda conveyed the greetings of the leadership of the royal Japanese Government to H.E. Chea Sim. Ikeda said that this is an important time for Cambodia in its efforts to set up a new government. He highly appreciated the efforts of H.E. Chairman Chea Sim, who has been leading Cambodia since 1979.

Ikeda expressed the firm belief that there will be genuine national reconciliation in Cambodia and that the royal Japanese Government will continue to provide assistance to the new government to rebuild the country.

Thai, Chinese Businessmen Reportedly Returning

BK2006015493 Bangkok THE SUNDAY POST in English 20 Jun 93 p 4

[By Nusara Thaithawat]

[Text] Foreign businessmen, especially Thai and Chinese, are returning in planeloads, reviving hope among this capital city's inhabitants.

They are either coming back to businesses they left during the escalating political violence in the leadup to last month's election, or to explore land deals and other opportunities in Cambodia.

The riel yesterday rose to 2,500 to the US dollar.

In the period leading up to and during the election the Cambodian currency gradually fell to a lowest point of 5,000 to the dollar.

An antique and jewellery dealer at the Central Market in Phnom Penh said there was increasing confidence

among people because of news of the opening of the Constituent Assembly, the return of secessionist Prince Chakkrapong, and Prince Sihanouk's successful nomination of the two "co-presidents" of an interim administration for the country during its transitional period.

Indonesia

Alatas Explains Stand on Human Rights

BK1806115693 Melbourne Radio Australia in English 0800 GMT 18 Jun 93

[From the "International Report" program]

[Text] To the World Conference on Human Rights in Vienna, where Indonesia's foreign minister, Ali Alatas, has called on those countries, such as Australia, to resist judging the standards of others. Earlier, Mr. Alatas in his speech to the conference, called for more understanding of needs of emerging democracies. He spoke to Radio Australia's Ian Mannix about Indonesia's decision last week to form an independent commission to enhance and protect human rights.

[Begin recording] [Alatas] An independent commission—so it certainly would not be a governmental commission and they would assist, I think, in the monitoring of implementation of human rights. They would also be able to receive all kinds of inputs, you know, from various sides. And, we hope then that they would be able also to convey their views if asked or unasked, and their suggestions to the government.

[Mannix] I guess the key point is just how independent will it be? Will it be appointed, for example, by the government, and will it be able to investigate the government openly?

[Alatas] I must confess this is our first effort and I don't know exactly how the process is being worked out, but I can tell you one thing—that we are really sincere not to make it a governmental body at all, but an independent commission and to give it the necessary powers to be effective.

[Mannix] [words indistinct] important human rights debate. The people outside your country, well let me be more specific, in Australia, say because your democracy is not the same as ours, you are wrong and we are right. Ours is fully elected in as democratic fashion as we can find it. This conference is (likely to cut) some term with the debate about who is right and who is wrong.

[Alatas] We should all be filled with the same tolerance and desire to mutually understand each other. There is not a single system that is good for everyone because of our diversity. Why can't we—reasonable and rational people—agree on a set of universal tenets on what is democracy. But then, leave it to every country as to the form of the democracy, as to the ways, the modalities. As

long as they fulfill the basic criteria, then we should be, each one of us, should be tolerant enough to allow various forms to flower.

[Mannix] What is Australia's role in terms of human rights in the Asia-Pacific region? We are still going through that debate ourselves. Where do you see us putting ourselves?

[Alatas] You have been a vigorous advocate of better implementation of human rights and you are known to that. You are, in that sense, of course you are a Western society and as such you abide with sort of a Western point of view, and that's alright with us. I mean that, of course you are privileged and you are right to be like that. [end recording]

Red Cross Access To E. Timor Prisoners Blocked

BK1906152593 Hong Kong AFP in English 1736 GMT 18 Jun 93

[Text] Jakarta, June 18 (AFP)—The International Committee of the Red Cross (ICRC) is still facing difficulties in getting access to all prisoners in the former Portuguese colony of East Timor, an ICRC delegate said here late Friday.

"Despite assurances that I have received from the highest authorities of the state, I have not been able to see on an equal basis all prisoners in East Timor," chief ICRC delegate to Indonesia Pierre Pont said shortly after a visit to East Timor. Pont declined to comment "on any visit that may have or had taken place," citing the "continuing difficulties that the ICRC was facing in carrying out its mandate in East Timor."

East Timor was unilaterally annexed by Jakarta in 1975 and declared its 27th province a year later. The United Nations still regard Lisbon as the administrative power in the East Timor.

An ICRC five-member delegation, led by Pont and including a medical doctor from Geneva, visited East Timor for two days. It was the first ICRC visit to call on prisoners in East Timor since it suspended such trips May 30, saying that its conditions were not being met by officials. Pont also declined to confirm whether he had met with captured East Timorese pro-independence leader Xanana Gusmao, sentenced by an Indonesian court to life imprisonment last month. The court found Gusmao, 46, guilty of rebellion, conspiracy and illegal possession of firearms on May 21 after almost four months of trial.

Major General Theo Syafei who heads the Udayana-military command, which oversees security in East Timor, had been quoted by the local press Tuesday as saying he would accompany ICRC delegates to see Gusmao in his place of detention in East Timorese capital Dili.

Gusmao, who the ICRC have met once during his captivity here before the trial started, was rumored to be

on a hunger strike. Although Indonesian officials have denied it, Gusmao has not been seen since the verdict.

Stressing the importance of "access" to all prisoners, Pont said he was trying to clarify the situation and he did not rule out another visit to East Timor.

ICRC President Cornelio Sommaruga said here last month that a series of talks he has had with Indonesian officials, including President Suharto and Foreign Minister Ali Alatas, had left him optimistic that there would be continuous "access to detained persons in a regular way." Sommaruga said the ICRC had not been particularly satisfied with the frequency of visits.

Deregulations Announced for Auto, Other Industries

BK1806124993 Jakarta THE JAKARTA POST in English 11 Jun 93 p 8

[Text] Jakarta (JP)—Here are details of the new deregulatory measures announced by the government yesterday, which include a reform in the strategy of the automotive industry development and the cut in the number of closed business sectors to foreign investments.

The deregulatory measures on the automotive industry cover eight main subjects.

The classification of four-wheel vehicles into two main groups: commercial vehicles and passenger cars. The commercial vehicles are further divided into five categories: Category I for vehicles with a gross weight of up to five tons, Category II for those with a gross weight of above five to 10 tons; Category III for a gross weight of above 10 to 24 tons; Category IV for jeep type vehicles and Category V for vehicles with a gross weight of above 24 tons, while the passenger cars comprise of station wagons and sedans.

Tax incentives in the form of the reduction of import duties are given to vehicle assemblers, which are able to increase the use of local components.

The manufacturing of commercial vehicles of Category I such as pick-ups and minibuses, and sedans of up to 1,600 cc are the main priorities for the development of the country's automotive industry. The manufacturing of their components are arranged under the government-set programs.

The manufacturing of commercial vehicles of Category III and Category IV, which are not included in the priorities are directed for exports both in the form of components or assembled forms. The manufacturing of their components are also arranged under the government's programs.

Sedans with a capacity of above 1,600 cc are subject to a 35 percent luxury tax. Sedans with a capacity of up to 1,600 cc and jeeps are subject to 20 percent luxury tax if

their local components are not less than 60 percent, and 35 percent luxury tax if the local components are less than 60 percent.

Commercial vehicles of Category V are not included in the priorities. Therefore the manufacturing of their components does not use the government's programs. However, the manufacturing and assembling of vehicles of this category are still allowed.

The ban of the imports of assembled two-wheel and four-wheel vehicles is lifted. The imports of assembled vehicles, whose similar products are assembled in the country, can be handled by any importers while those which are not assembled in the country should be imported by registered importers or authorized sales agents.

The new measure reduces the number of business sectors closed to foreign investments to 34 sectors from 51 last year. Six of the 34 business lines are completely closed for domestic and foreign investors because their production will be hazardous to the environment and to the people's health.

The six business sectors which remain closed to foreign investments are forest logging, casino and other gamble operations, exploitation and production of sponges, marijuana and the likes, veneer production and the manufacture of penta chlorophenol, dichloro diphenyl trichloro ethane (DDT) and dieldrin and chlordane.

Thirteen business sectors are also closed to foreign investments except if investors meet certain requirements. The sectors include, among others, the production of milk, palm oil, block boards, sawn timber, plywood, finished and semi finished rattan products, securities paper, ethyl alcohol, explosives, utility boilers, vehicles and aircraft and their components.

Other three business fields are closed to foreign investments except if the investors export no less than 65 percent of their production. The sectors include the production of white cigarettes, wheat and medical formula and herbal medicines.

Editorial: Deregulation To Strengthen Economic Base

BK1906072293 Jakarta THE JAKARTA POST in English 11 Jun 93 p 4

[Editorial: "New Deregulation Packages"]

[Text] The one-year wait is worthwhile indeed. The four packages of new deregulation measures in the automotive industry, export and import trade and private investments will stimulate new investments and bolster exports. These measures, combined with the central bank's move late last month to stimulate credit expansion, are designed to further improve overall economic

efficiency and consequently the competitiveness of Indonesian products by cutting regulatory procedures and unleashing more import competition into the domestic market.

The most outstanding of the policy packages is obviously the deregulation of the automotive industry which had been expected since last July. These measures are very dramatic because, for the first time since the mid-1970s, locally-assembled cars are now being made to compete with imported built-up vehicles. The domestic car assemblers, after being protected for about 17 years from competition with imported built-up vehicles, are expected to be capable of competing with imports now, especially because the import tariffs on built-up cars have been set 100 percent higher than those on completely-knocked down vehicles. Also encouraging is the freedom given to general importers to bring in built-up cars of the types already assembled in the country.

The new policy also gives a much clearer direction to the development of the automobile manufacturing industry by giving top priority and tariff incentives to the manufacture of commercial vehicles with axle-load capacity of up to five tons (pickups and light vans) and passenger cars with engine displacement capacity of up to 1,600 cubic centimeters. The measures, however, stop short of intervening into reducing the number of car makes (more than 20) sold on the domestic market whose sales volume is still less than 200,000 units a year. The government instead will allow the market to edge out the uncompetitive ones.

The trade reform measures in export and import are no less significant, though. Companies operating in export processing zones, bonded areas and in private entrepôts are now freed from pre-import inspection and most other import regulations, as well as the value added tax, as long as they export all of their products. These measures will relieve export-oriented industrial firms from the usually time-consuming paperwork and the additional costs normally incurred in the processing of regulatory paperwork.

The reduction of import tariffs on 221 categories of goods and of import surcharges on 76 categories of commodities not only will force domestic producers to further improve their efficiency but also will reduce their motivation to evade duty payments through collusion with customs and duty officers. The latest measures cut the number of commodities subject to regulated or controlled imports from 464 categories to 324, or only three percent of the total number of categories of items listed in the Harmonized System of customs tariff posts. Of most significance is the government statement that import tariff reduction will be done consistently at least once a year. This is a strong signal to domestic companies that their protection will not last forever.

The packages also ease the entry of foreign investors into the various business areas. Only 14 areas of business are now completely closed to foreign investors. Included

among the closed business areas are taxi and bus services, scheduled and chartered airline services, airline maintenance, radio and television broadcasting, retail trade, advertising and cinema.

The biggest challenge now is to ensure that the latest packages of deregulation measures will be clearly understood by the officials concerned and that they will be enforced properly. Past experiences show that announcing measures is one thing and enforcing them is quite something else. Some form of resistance from vested-interests is expected but the government's strong political will and resoluteness to improve the efficiency and strengthen the long-term foundation of the economy should be able to remove such a problem.

Daily Reviews Latest Deregulation Package

BK2106082193 Jakarta KOMPAS in Indonesian
11 Jun 93 p 4

[Editorial: "The Government Issues the June Deregulation Package in the Industrial Sector"]

[Text] The government issued a deregulation package in the industrial sector on Thursday in line with a promise the government made when it issued the deregulation package in the banking sector some time ago. The latest deregulation package consists of four deregulations.

The first deregulation, which had been long awaited and seemed very difficult to be made, covers the automotive industry.

The deregulation in the automotive industry is primarily designed to enable the industry to become more efficient and more competitive and reinforce its structure. Under this package, completely built-up motor vehicles whose makes have been or have not been produced locally can now be imported. Thus, consumers will have more choice. However, an import tariff and surcharge and a luxury tax imposed on these vehicles are so high that their prices will be higher than those of locally produced motor vehicles.

Accordingly, the national automotive industry is still regarded as an infant industry [preceding two words in English] and protected, despite its long operation. The more local components a vehicle has, the lower the luxury tax will be.

What is the significance of the deregulation in the automotive industry? The automotive industry has faced no threats that could affect its production and marketing. The more it uses local components, the lower the luxury tax will be.

Will motor vehicles be cheaper for consumers? The answer is: no—at least for the time being. Car prices have risen recently, although those in the automotive industry knew about the imminent issuance of the deregulation in the automotive industry. They appeared to have known that their industry would not be affected.

Only consumers will have more choice with the availability of imported cars. However, this privilege will certainly be limited to those who have a lot of money. Moreover, only a sole agent of a locally produced motor vehicle authorized by the government is allowed to import luxury cars.

Thus, the deregulation in the automotive industry which is designed to enable the industry to become more efficient and competitive will not necessarily decrease the prices of motor vehicles.

The second deregulation covers the streamlining of procedures as part of efforts to increase nonoil and nongas exports as well as the export of industrial products. Inspection in entrepôts, export processing zones, and bonded areas will be abolished. In other words, there will be no more inspection.

The third regulation covers the lowering of import tariffs and surcharges and the streamlining of import rules. The government has lowered import tariffs on 221 categories of goods (excluding the lowering of import tariffs on motor vehicle components to be locally assembled) such as power generators, textile machines, tire cords [preceding two words in English], processed chocolate, machine components, and several kinds of agricultural machines as well as import surcharges on 76 categories of commodities, including soybean meal.

The number of commodities subject to import rules is reduced to 324 categories or only three percent of the total number of categories of items (9,431 categories).

The fourth deregulation pertains to the streamlining of the negative investment list or the list of investment areas closed to foreign investors. With this deregulation, all business areas are now open to foreign investment with the exception of forest logging, casino and other gambling operations, exploitation and production of marijuana and the like, and the production of veneer, penta chlorophenol, dichloro diphenyl trichloro ethane (DDT), dieldrin, and chlordane, because investment in these areas could damage the environment and be dangerous to social life.

In our opinion, the implementation of the four deregulations will have to be closely monitored by relevant government agencies. For example, a sole agent should not be allowed to abuse the deregulation in the automotive industry to import a completely built-up car but claim in paper that it is a completely knocked down one, consisting of components to be locally assembled, thus enjoying a lower import tariff.

Similarly, won't the abolition of any inspection in entrepôts, export processing zones, and bonded areas be abused? The government may in turn lose in terms of state revenue?

This is within the context of the interconnection between the business circles and government officials, and not the government as an institution.

With the four deregulations, the government appears to be trying to enable the economy to "revolve" to spur the domestic market and exports. Their success, however, remains to be seen. We cannot immediately assess the situation. However, some circles say that the deregulation package was not sufficient, mainly because it failed to substantially remedy the mechanism of our market economy, which has hampered economic activities and the efficiency and competitiveness of our economy. In other words, the "source of the ailment" which has in fact affected, hampered, and damaged our economy has not been remedied by this deregulation package. Will future deregulations remedy the situation?

In our opinion, it still remains to be seen whether this deregulation package will be able to awake business circles to reactivate the present sluggish economic activities because early reactions to it were "normal."

Paper Views Fiscal Measures To Stimulate Economy

BK1706153093 Jakarta THE JAKARTA POST in English 31 May 93 p 4

[Editorial: "Fuelling Credit Expansion"]

[Text] The monetary authority, greatly concerned over slow credit expansion, finally acted over the weekend to help banks to increase lending by easing the prudential rulings. It has been more than one year since the Central Bank eased its tight money policy as the overheated economy of 1989-1991 began to cool down. And up to now the monetary authority's policy signals have simply been ignored by the banking sector. Despite repeated verbal encouragement from the central bank, most banks remain hesitant about expanding their lending, causing interest rates to remain persistently very high.

There are two main reasons behind the banks' tight brake on new lending. The first one is the fact that most major banks are now painfully grappling with huge sums of bad loans, which some analysts put at between five to seven percent of total credit outstanding. These non-performing loans resulted from the "lending spree" of 1989-1991. Many of the loans made during the "go go lending" period went sour immediately after the Central Bank imposed a credit squeeze in early 1991, consequently cooling down the overheated economy.

Adding to the pressing problem of these bad loans is the obligation for banks to fulfill tougher prudential regulations, including more stringent capital adequacy standards as set by the Basle-based Bank for International Settlements. Based on the capital-adequacy ratio [CAR], for example, a bank must put up Rp [Rupiah] 7 million (seven percent) of its own funds (capital) to back each Rp 700 million in loans it extends. This ratio will increase to eight percent by the end of this year.

Up to now, the verbal encouragement the Central Bank has repeatedly resorted to since 1992, has proven ineffective in motivating banks to increase their lending.

That is why, we think, the monetary authority is currently backing up its verbal support with the concrete measures announced on Saturday by Coordinating Minister for Economic and Financial Affairs Saleh Afiff. Since the problems of the huge amount of bad credit are beyond the Central Bank's ability to control, it therefore acted in the area under its direct jurisdiction—the prudential rulings.

The easing of the requirements on the CAR standards, reserve ratio, and compulsory lending to small firms and the amending of the weight of the yardsticks for scoring in the assessment of bank soundness will provide banks with a broader leeway for expanding their credit disbursement. The most significant of the measures is the easing of the CAR standards. This measure will allow banks more room for expanding their lending. For example, banks will be allowed to count their last year's profits wholly (100 percent) as capital. Formerly only 50 percent could be counted. The risk weights of loans to state companies and undisbursed credit are reduced to 50 percent from 100 percent. Of most importance is that these easier requirements will not likely adversely affect the quality of bank assets.

The decrease in the reserve ratio from one to 0.5 percent of total assets plus provisions for bad debts also will release more bank funds for lending. Likewise, the amendment in the definition of small-scale credit will provide banks with more lending opportunities. So far many banks, notably the big ones, have faced difficulties in fulfilling the compulsory minimum amount of lending to small firms (20 percent of total loans) as they have no adequate resources to evaluate the risks involved.

However, in the final analysis the end result of the new measures will still depend on whether the government can significantly improve the climate for investments. Most domestic and foreign businessmen have been complaining that the cost of doing business in the country is now much higher than in other Asian countries. Without a better investment climate, banks will find it difficult to find projects viable for credit and will continue to park their funds in the Central Bank's certificates of deposits. The current situation is indeed a great anomaly. While the business sector is crying out for financing, about Rp 23 trillion (US\$11 billion) worth of bank funds are now idle as they are invested in certificates of deposit on which the Central Bank must pay a monthly interest of more than Rp 250 billion (\$120 million). This situation makes it more imperative than ever for the government to accelerate the process of its economic reforms by issuing more deregulation measures and speeding up the bureaucratic reforms and by strongly enforcing existing reform measures.

Laos**Khamtai Siphandon Addresses Union Congress***BK2106085993 Vientiane PASASON in Lao 11 Jun 93
pp 1, 3*

[Speech by Khamtai Siphandon, chairman of the Lao People's Revolutionary Party Central Committee, delivered at the Third Nationwide Congress of the Federation of Lao Trade Unions on 9 June]

[Text] Respected presidium and beloved comrades and friends:

Today, I am overwhelmingly happy to attend the Third Congress of the Federation of Lao Trade Unions [FLTU]—a congress which is very important to the social and political life of our workers and laboring people throughout the country. This congress is convened at a time when the situation in our country is drastically changing in many aspects. The policy of all-round, principled restructuring adopted by our party has become an extensive process of mass action and has made numerous important achievements in the initial stage. Our beloved country is advancing toward the destination we have chosen with a new posture and new capabilities.

In addition to correctly appraising the reality on the activities of the FLTU in the past, this FLTU congress will define the direction and duties from our workers and laboring people in the years to come. This will be done in order to conform to the special characteristics of the internal situation in our country in the new period with the aim of bringing various forms and colors as well as new substance and quality to the organization and movements of our trade unions at various levels. If this is accomplished, our third congress will become an important symbol of the new changes within the FLTU in accordance with a resolution adopted by the party Central Committee Political Bureau on mass work in the new period.

On this auspicious occasion, on behalf of the party Central Committee and the government, I would like to extend my warm congratulations and salutations to this congress. I wish it a brilliant success. At the same time, I would like to convey the intimate greetings and regards of the party and government to all workers and laboring people throughout the country.

Beloved comrades and friends, having heard the political report presented to the congress by the FLTU Central Committee, I can see that the FLTU has made considerable efforts in mobilizing, organizing, and leading our workers and laboring people as well as all trade union members to implement and translate into reality the resolutions adopted by the Second FLTU Congress, thus producing a number of commendable achievements. In the process, some workers, farmers, state employees, and

trade unions in many localities have also made outstanding exemplary achievements. The party and government regard these achievements as an important contribution to the overall successes and victories of our country in the tasks of defending the new regime and building and developing our country. All this clearly shows that Lao workers and laboring people have always enhanced the tradition of patriotism, unity, cohesion, creativeness, and hard work and a sense of responsibility toward their work. At the same time, I still can see that many weak points and shortcomings still prevail. The most obvious weak point is that most of our trade unions have existed only in a form but have never carried out any practical activities. In many localities, the party committees, administrative committees, and services concerned have not paid adequate attention to carrying out trade union work. The FLTU Central Committee itself has not been able to adapt to certain changes in the new period and lacks initiatives in educating and leading trade unions at various levels to improve and modify their forms and methods of carrying out activities to conform to the reality. Bureaucratic patterns and state-financing system of work have not yet been rectified. As a result, the overall trade unions movement, especially at the grass-roots level, still remains very weak. Most of workers and laboring people at various business production units, especially in the private economic sectors, have not been thoroughly educated, organized, and guided, thus causing them to lack a sense of classes, a sense of political awareness, and a sense of abiding by the labor laws, contracts, and regulations. These are only parts of the outstanding shortcomings prevailing in the new period, which must be rectified by the FLTU; otherwise, we will not be able to raise the degree of quality and efficiency of trade union work.

The Fifth Congress of the Lao People's Revolutionary Party [LPRP] has clearly defined a path of advancement for our country, that is to continue building and developing the people's democratic regime and to build fundamental factors for gradually advancing toward socialism. This is the correct path meeting the strong aspirations of the multiethnic Lao people who all have duties and rights to participate in securely safeguarding the fruits of revolution which have been acquired with blood and tears so as to bring happiness and wealth to all Lao people and to gradually make our country strong.

So, what should the FLTU do to contribute to this noble cause of our nation? This is the question which must be clearly answered by this congress. The political report has provided considerably clear details on the direction and tasks which must be carried out by the FLTU in the years to come. In the meantime, I would like to place an emphasis on certain issues regarding the direction of the organization and activities of the FLTU in the new period.

First of all, we must correctly understand that the FLTU is not an administrative organization performing management tasks as those of the various ministries and state committees. It is a mass organization entrusted with the

task of mobilizing, organizing, educating, and leading workers and laboring people of all ethnic tribes to build common strength for the cause of building, defending, and developing the country to be more prosperous and progressive in accordance with the party's policies and the state's policies and laws. This task is established in order to bring practical interests to the workers and laboring people themselves. Therefore, it is necessary that the FLTU must know very well about the organization as well as ideological and political work of workers and laboring people in all production enterprises, services, and economic sectors. To achieve this goal, trade unions at all levels must thoroughly reorganize their organization and activities.

In my opinion, the restructuring in the organization of trade unions must be done through the redefinition of their roles, upgrading their organizational structure, and improving their relations and coordination with other party, state, and mass organizations to conform with the current reality. First of all, trade unions must take the initiative in studying the appropriate forms of their own organizations and the content of their activities which must be suitable to the special characters of each locality. They must present these forms of organizations to workers and laboring people at the grass-roots level and encourage them to set up their own organizations accordingly as dictated by their own requirements geared for their own interests. Therefore, their organizations must be in various different forms and colors beginning from such simple ones as welfare units, labor protection groups, and so forth.

Trade unions at all levels must hold aloft a sense of being their own masters and a sense of being creative. They must dispatch qualified union members to work with these new organizations in order to lead them in carrying out activities along the correct path, thus bringing genuine benefits to all workers and laboring people. The FLTU Central Committee must take the initiative in studying and outlining detailed regulations as well as necessary procedures in coordinating with party and state organizations concerned so as to create necessary conditions for grass-roots trade unions to carry out their activities in an effective manner. The FLTU Central Committee must also try to do away with all bureaucratic and state-financing features in all trade unions so that they will not be kept distant from the masses.

In parallel with upgrading the abovementioned organizations, trade unions must readjust the methods through which their activities are carried out with the aim of effectively fulfilling the two fundamental tasks of educating workers and laboring people and protecting their interests.

To effectively fulfill the task of educating workers and laboring people, trade unions at all levels must thoroughly study and understand the party's policies and state's laws. After that they must translate and digest these policies and laws into simple detailed plans to be easily appreciated and understood by workers and

laboring people. In addition, they must educate workers and laboring people to develop a sense of political awareness, to adopt a correct attitude and stand, to respect all laws, to honor all obligations and agreements, to correctly fulfill their duties and rights, and to develop a sense of affection and unity toward one another. This means that trade unions must actively contribute to educating and building workers and laboring people of all ethnic tribes to become good citizens with a sense of mastership and responsibility toward their duties and their country.

As for the protection of their interests, trade union members at all levels, whether attached to any organizations, services, and economic sectors, must profoundly appreciate the notion that we will be able to protect our own interests only when they can protect our national interests. Therefore, we must link our own interests with those of the collective community, factories, and nation. In order to enable trade unions to effectively protect the interests of workers and laboring people, we must pay attention to the following issues: We must create conditions for them to participate in creating the state's regulations and laws concerning them and to represent collective workers in signing agreements and obligations relating to the rights and interests of workers. Trade unions must follow up the implementation of those agreements and obligations. At the same time, they must mediate all conflicts arising between business employers-producers and laboring people or even among workers themselves in accordance with the existing laws to ensure fairness and justice.

In order to build trade unions into a political organization under the people's democratic regime to mobilize, organize, guide, and educate workers to raise the level of their knowledge, capabilities, and political awareness and to fully represent the rights and interests of workers and laboring people, efforts must be made to coordinate with and to gain support, assistance, and cooperation from other party, administrative, and mass organizations. Nonetheless, trade unions must take the initiative in upgrading themselves and enhancing their sense of responsibility, courage, and creativeness in carrying out their work. They must never wait only for support and help from other sectors. The crucial issue here is that we must train only energetic and diligent persons who are faithful to the rights and interests of workers and laboring people to become trade union cadres or workers from various services in each locality and business sectors to take charge of trade union work in all localities. At the same time, we must establish regulations, working methods, patterns of relations and coordination, and lines of command for them to conform to the reality in each locality to ensure smooth and efficient functioning of trade unions.

Beloved comrades and friends, the task of defending and building our beloved fatherland is great and prolonged. Even though many favorable conditions prevail along the path of our advancement, we will still encounter numerous difficulties and obstacles. This situation

demands that our entire party, masses, and army must unite and become more harmonious than any other time before. We must hold aloft the spirit of patriotism and our national independence and sovereignty, build strength and wealth by ourselves, and develop and expand our relations with the outside world in order to build and make our country prosperous. Our party and state firmly believe that our trade unions as well as workers and laboring people in all localities throughout the country will continue enhancing the glorious tradition of our nation, remain unwavering in the face of all trials and difficulties, resolutely walk along the path designed by our party leadership, and more actively contribute to fulfilling the tasks of building Laos into a country with peace, independence, democracy, unification, and prosperity.

The path chosen by our party and people is correct!

Let our Lao workers and laboring people unite and march forward to score new greater achievements for our country and people!

May the Third FLTU Congress attain brilliant success!

Philippines

Editorial Criticizes IMF Representative's Comments

HK1806050093 Manila PHILIPPINE DAILY INQUIRER in English 18 Jun 93 p 4

[Editorial: "Big Browne Brother"]

[Text] Christopher Browne now wears a giant frown. He is so unhappy and frustrated, he says. Frustrated by the power blackouts, frustrated by the red ink in the government's accounts, frustrated by the economy's inability to move, and frustrated that some Cabinet members have been trying to avoid him. Liars all, he called them last Monday [14 June]. They have been fooling foreign investors with the false promise that a solution to the power crisis is at hand, when the fact is that the blackouts are here to stay until 1998. They have been hiding the facts from President Ramos. "They have to be honest," he preached.

Even Mr. Ramos was not spared from Browne's biting criticisms. Said he: "We love what we have been hearing during the last 12 months, but could we please have some action." So who is this fellow and why does he think he can insult our officials and order them around?

Browne happens to be the representative of the International Monetary Fund. In his view that gives him more powers than a proconsul, including the power of life and death over 65 million Filipinos. Unless the government agrees to the IMF prescribed program, he warned, the economy would sink to the bottom of the sea. Neither should it feel secure about having \$6-billion in reserves; that could evaporate in no time at all. "If you think you can do it without an IMF program, do it and good luck,"

he threatened. "We don't want your coming back to us crying." And don't go crying to the Paris Club either, he warned. "We are the Paris Club."

Now this is the first time the world has heard that the Paris Club, composed of the world's richest industrial nations, is under the thumb of the IMF. But it's certainly no secret that the IMF has the Philippines under its heel. Its every wish has always been the government's command, it wanted importation of thousands of items liberalized. The government quickly complied. It wanted power rates increased to improve Napocor's financial position? Government raised the rates. It wanted all the country's debts paid? The government religiously paid them, even if it meant using 40 percent of its budget. It wanted a portion of the foreign debts, including fraud-tainted loans, securitized? The government quickly complied.

Here lies perhaps Browne's greatest frustration. After such a long period of subservience and perfect obedience to his predecessors, how come Filipino officials were showing defiance? Didn't these little guys know he held the country's destiny in his hands? Didn't they know their new overlord? All Browne decreed were new tax measures to narrow the budget deficit, which already stood at P15 billion [Philippine pesos]. What's that compared to taking food away from the mouths of millions, leaving them without clothing, homes, health care and education, to all of which the same officials consented by paying all the government's debts without fail? Surely that's provocation enough for a public exhibition of imperial wrath.

But if Browne was mad, so was Mr. Ramos. "Naiints na si Presidente [The President is already irritated]," one Malacanang official said. Press Secretary Jesus Sison said Mr. Ramos "definitely didn't like" what Browne said. "He has no business saying those things. Criticizing the government is not one of his functions," Sison said. He also announced that the government was considering the possibility of declaring Browne persona non grata. Considering? Mr. Ramos should put him on the first Agusta jet available and have him flown out by the worst pilot serving in the Air Force. If the plane doesn't crash, the pilot doesn't have to be told what to do. Otherwise we don't know what some proud Filipinos might do.

Senators Want IMF Envoy Declared 'Persona Non Grata'

HK1906072193 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 18 Jun 93

[Text] Senator Ernesto Maceda has challenged the government to declare IMF representative Christopher Browne persona non grata and ask him to leave the country. The solon said it would be better for the government to concentrate on going after big-time tax evaders instead of continuing to negotiate new IMF loans. According to Maceda, if successful, this type of effort would enable the government to collect an estimated 13 million Philippine pesos. Maceda also assailed

the government for allowing the IMF to dictate the nation's economic policies and pointed out the irony in the government's current criticism of the IMF.

Meanwhile, Congressman Rodolfo Albano, House senior deputy majority floor leader, is scheduled to propose a Congress resolution which calls for IMF representative Christopher Browne to be declared persona non grata and urges the IMF to send a more worthy representative to negotiate with the Philippine Government.

At the same time, Senator Anna Dominique Coseteng has urged Malacanang to support Budget Secretary Salvador Enriquez's proposal to discontinue negotiations for a new IMF-sponsored economic program, which she believes would only add to the country's debt burden. Referring to a World Bank study, Coseteng said the country would need an estimated \$4 billion to pay for a debt which she believes will not help the country's economic recovery.

Meanwhile, President Ramos has advised his economic managers to be careful in making any pronouncements on Mr. Christopher Browne's controversial statements about the country's economic performance. Ramos said he will be giving an official statement on the issue, along with an assurance that his administration has no intention of quarreling with the IMF. The chief executive is also calling on his administration's critics to refrain from focusing on the current energy crisis too much, because there are more important issues which the government has to tackle in order to achieve its goal of newly-industrialized nation status by the year 2000. The chief executive also called on the citizenry to prove to the IMF and other foreign creditors that the country can stand on its own two feet, especially now that the government has restored other countries' faith in the Philippines.

Ramos Welcomes IMF Apology, Assurance of Support

HK1906082693 Hong Kong AFP in English 0658 GMT 19 Jun 93

[Text] Manila, June 19 (AFP)—President Fidel Ramos said here Saturday that he welcomed an apology from the International Monetary Fund (IMF) for its local representative's criticism of the Philippines' economic performance. "I welcome the statement of (IMF regional director) Kunio Saito... clarifying the stand of the IMF regarding the issues touched upon recently by its resident representative to the Philippines, Mr. Christopher Browne," Ramos said in a statement. "I am also gratified by his assurance that the IMF will do all in its capacity to help the country in pursuing its economic development program," Ramos said.

The Central Bank earlier said that Saito had issued a statement disowning and apologizing for statements last Wednesday by Browne to the effect that the government was not doing enough and that Ramos's cabinet members were not giving him an accurate picture of the economy. Browne's comments stirred a hornet's nest and

riled Ramos, who marks his first year in office June 30 and has been busy defending his record, especially his failure to put an end to daily outages that have shaken the economy.

Ramos also [said] his government would further implement economic reforms in the latter half of the year, "through closer collaboration between the executive and the legislative," but did not specify which measures would be taken.

Ramos also said in his statement that Manila planned to increase government revenues with more efficient collection, privatization of government corporations, and recovery of wealth allegedly stolen during the regime of deposed dictator Ferdinand Marcos. The president said that these efforts would "re-establish our creditworthiness."

Talks on a new IMF program for the Philippines were postponed following Manila's failure to reach revenue targets set by the institution for the approval of 800 million dollars in new credits. Further talks are scheduled this September.

A deal with the IMF would also allow Manila to reschedule one billion dollars in maturing debts owed by the government to the Paris Club. However diplomats and economists have warned that failure to seal an agreement with the Fund will result in the slowdown of the entry of foreign credits.

Manila Radio Reports Ramos' Acceptance

HK2106031993 Manila Far East Broadcasting Company in Tagalog 0000 GMT 21 Jun 93

[Text] President Fidel V. Ramos has accepted the International Monetary Fund's apology on behalf of its local representative, Christopher Browne, who earlier expressed criticism regarding the Philippines' economic policies.

Meanwhile, President Ramos has expressed his happiness about the IMF's promise for aid to improve the livelihood of the Philippines.

Commission: 'No Political Prisoners' Held

HK2106051993 Quezon City MALAYA in English 21 Jun 93 p 2

[Text] The Philippines has no political prisoners, the Commission on Human Rights [CHR] said in a report submitted to President Ramos.

The report belied the claims made by Task Force Detainees of the Philippines that there have been new cases of political detention since July 1992.

CHR Commissioner Paulynn Sicam categorically affirmed the absence of any political prisoners since Ramos took office.

Sicam said the alleged political detainees who were transferred to the National Bilibid Prisons (NBP) in Muntinlupa, have been convicted of common crimes and are yet to apply for early release under the guidelines of the Inter-Agency Task Force on the Release of Political Prisoners.

The Task Force is composed of the Department of Justice the Office of the President and the CHR. Its Secretariat is headed by the Secretary of Justice.

Sicam said that only after their papers have been forwarded to the Secretariat can their cases be deliberated on to determine if they were indeed convicted of crimes committed or due to their political beliefs.

She also reported that the non-governmental organizations (NGOs) are aware of the process and are, in fact, monitoring closely the meetings of the Inter-Agency Task Force twice a month.

In her report, Sicam named those who were transferred to the Bilibid to include:

—Noel Panlaqui, an alleged Alex Boncayao Bridge member convicted of murder, carjacking, direct assault and homicide in Valenzuela, Metro Manila.

—Gregorio Caliza, Ernesto Piamonte, Manuel Amania, Danilo Peras, Efren Lucabon, Victorino Malingin and Germiniano Danong, all alleged members of the New People's Army (NPA), were convicted of murder in Mandaue, Cebu.

—Walter Nacional, Efren Musa and Zacarias Militante, alleged NPA members were convicted of double murder in Legaspi City.

In any case, Sicam assured the President and the TFDP that the CHR's Investigation Office will look into the allegation that there were newly released political prisoners being harassed by either the military, police or CAFGUs [Citizen's Armed Forces Geographical Units].

Sicam said Ramos will be informed of the result of the investigation as soon as it is finished.

Says 'Political Prisoners' Still Exist

HK2206095993 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 22 Jun 93

[Text] The Commission on Human Rights today has confirmed that new political prisoners have been detained under the Ramos administration. This contradicts Malacanang reports that there are no political detainees.

Human Rights Commissioner Paul Sicam said that the reports asserting that no political prisoners have been detained since Ramos came to power as president have come from Malacanang palace, not from his office.

NUC Chairman: Ramos Supports Amnesty for Rebels

HK2106135893 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 21 Jun 93

[Text] National Unification Commission [NUC] chairman Haydee Yorac said President Ramos has supported issuing a proclamation for an absolute and unconditional amnesty. The proclamation, she said, would cover not only the National Democratic Front [NDF] and Moro National Liberation Front rebels but rebel soldiers as well. Yorac hinted that there is a possibility that additional proclamations may be formulated during formal negotiations.

Meanwhile, Yorac has denied allegations by NDF leader Satur Ocampo that the Communist Party of the Philippines [CPP]-NDF is being brushed aside in the peace talks. She said that she has told the CPP-NDF several times to form a group for official talks with the government. She added that a shifting venue policy was also offered to the CPP-NDF during her discussions with a third party trusted by both the NUC and NDF.

During a telephone conversation with Luis Jalandoni in April, Jalandoni mentioned that the CPP-NDF would send her their written position, but the NUC has not yet received anything. Yorac clarified that Ramos' concept is not an actual extension of all NUC activities until July, but is merely preparation for a simpler structure. Based on the concept, the technical and secretariat group—or non-NUC members—will be maintained to ensure proper administration for the various aspects of the peace process. For her part, Yorac said she would be on vacation in Europe, America, and Canada beginning the first week of July.

Thailand

Surin Discusses Issues With U.S. Official

BK2106140093 Bangkok Army Television Channel 5 in Thai 1200 GMT 21 Jun 93

[Text] Deputy Foreign Minister Surin Phitsuwan reported to newsmen after his meeting with the visiting U.S. assistant secretary of state that they exchanged views on problems of intellectual property rights, Cambodia, and Burma. Concerning the U.S. allegation that the Thai Government supported the Khmer Rouge, he said it was an old impression that the U.S. legislative branch obtained from inaccurate information motivated by the interests of some parties. He said the United States now realizes that Thailand fully adheres to the UN resolutions.

Woranat: 'Impossible' To Close Cambodian Border

BK2206012593 Bangkok THE NATION in English 22 Jun 93 p A3

[Text] The Armed Forces supreme commander said yesterday it was impossible to close the Thai-Cambodian

border completely, and to establish maximum security along its length would require greater military force.

ACM [Air Chief Marshal] Woranat Aphichari said closing the frontier was not as easy as shutting a house gate as the border between the two countries extends over 800 kilometres.

Asked about the current situation along Thai frontier with Cambodia, Woranat said that although the Border Patrol Police were responsible for maintaining peace, the military is ready to assist since "soldiers have a duty to maintain the country's security as well".

However, the supreme commander said more soldiers and an additional budget would be needed to establish peace along the entire border.

Links With Russia Deteriorate Over Debt Repayments

*BK2206015993 Bangkok BANGKOK POST in English
22 Jun 93 p 17*

[Text] Relations between the Thai and Russian governments took a sharp turn for the worse late last week.

The deterioration led to a walkout by the Thai Ambassador to Russia from a meeting with a senior Russian trade official, after the Russian claimed to know nothing about overdue debt repayments and barter trade proposals from Bangkok.

The Russian official, Oleg Davidov, is the First Deputy Minister of Foreign Economic Relations.

He met Ambassador Kasit Phirom last week, following the failure of the Russian Government to honour a pledge given to Bangkok to pay US\$17 million. This is the first installment of Thai credit for Russian rice purchases, which was issued in December 1990 and fell due in December 1992. The full amount of the loan now due is US\$63 million.

The letter of the government guarantee securing the loan expired on May 5.

Thai officials have held a series of discussions with the Russian since February to determine whether Moscow wants to pay the loan in full, extend the repayment period or provide barter goods instead of cash.

Negotiations on the loan are regarded in Bangkok as an important indicator of Russia's capacity to pay back the much larger 1992 rice loan, worth US\$200 million, which falls due early next year, and of Russian intentions regarding the proposed purchase of several hundred thousand tons of rice, along with tapioca, this season.

In Bangkok in April, Russian officials pledged to start the repayment of the 1990 loan with a first installment on May 20.

The Vice-Premier in charge of Foreign Economic Relations Aleksandr Shokhin, has promised to respond to

Thai proposals for a barter trade of rice for steel and other Russian commodities, including oil, fertiliser and diamonds.

The two governments have also been discussing the opening of a special convertible currency account in a Bangkok bank for clearing trade exchange payments.

Last week's crisis occurred when Mr Davidov delayed his meeting with Mr Kasit for more than an hour, and then told him he had no response to make to the Thai proposals and knew nothing about them. The statement was made in the presence of Russian trade officials with whom negotiations had already been held on the debt and barter trade issues.

After Mr Kasit walked out of his meeting with Mr Davidov, the Deputy Foreign Minister in charge of Asia, Georgiy Kunadze, asked the ambassador to accept an apology.

A letter from the trade ministry followed last Friday, rejecting the open account proposal for barter trade. However, there was no response on the debt repayment issue.

Thai officials said they do not know the reasons for the Russian failure to negotiate predictably or provide reliable decisions on trade issues.

"It seems they don't want to sell what we want to buy, and they want to buy what they can't afford to pay for," Mr Kasit said. "They should be able to make up their minds on whether they want to pay or to extend the letter of guarantee for more time."

Army Commander Returns From PRC Visit

BK2206095593 Bangkok Army Television Channel 5 in Thai 1200 GMT 21 Jun 93

[Text] During his visit to the PRC, Army Commander in Chief General Wimon Wongwanit met several Chinese military leaders, including Lieutenant General Xu Huizi, deputy chief of the General Staff Department of the People's Liberation Army, and General Zhang Zhen, deputy chairman of the PRC Central Military Commission. They exchanged views on several military issues, including an important topic of interest for the Thai army commander—the study of China's method in streamlining its military force. China was successful in its effort to decrease the number of military personnel by one million within a period of eight years.

[Begin Wimon recording] What is interesting is that we have been told by China that the reduction of its forces was successful because the Chinese Government helped in redeploying soldiers in other government agencies. Another method is by providing housing facilities and pensions to help soldiers, and also by providing officers with the training they need when they switch from the military to other lines of work. Those measures helped

boost their morale and give encouragement to those who have to switch from military to other careers. [end recording]

The Thai and Chinese military leaders also discussed narcotics suppression. The Chinese Government made clear that it would continue making serious efforts to prevent and suppress narcotics trafficking by meting out heavy penalties on criminals.

[Begin Wimon recording] China made an assurance that it is serious about narcotics suppression. Those arrested for drug possession, even only a minimum quantity, could face death sentences. Chinese authorities also strictly conduct searches to check narcotics smuggling along China's common border with its neighbors. [end recording]

On Cambodia, the Thai and Chinese military leaders share a common view that peace will be restored to Cambodia if a national reconciliation government is formed and if the drafting of a constitution by the Cambodian people gets under way.

During his visit to the PRC from 13-20 June, the Thai Army commander also visited major Chinese historical sites, including a visit to the soldiers museum. During his tour of the Kunming military school, Gen. Wimon was received by Major General (Tan Silu), commander of the Kunming cadet school. In addition to the benefits he gained from his observations during the eight days of his PRC visit, Army Chief Gen. Wimon Wongwanit was accorded a very warm welcome with great honor from the People's Liberation Army. The visit will certainly contribute to the strengthening of friendship between the two countries' armed forces.

Government Urged To Be Firm With U.S.

*BK2106020593 Bangkok BANGKOK POST in English
21 Jun 93 p 4*

[By Aphaluk Phathiasewi: "Firm stand needed on patent protection for medicines"]

[Text] The government should make a careful decision on retroactive "pipeline" patent protection for drugs before medicines become too expensive for most people in the rural areas to afford.

Pipeline protection for new pharmaceuticals is providing a term of exclusive marketing rights to new drugs invented but not yet available in Thailand.

The US says Thailand should grant seven years exclusive marketing rights through safety monitoring or other administrative measures to these drugs in the pipeline protection.

Potential damage on Thai drug production is hard to estimate because other factors like inflation, increasing population and increasing demand for medicines have to be taken into consideration.

The United States has threatened that Thailand would be the first country to be cut out of the Priority Foreign Country (PFC) list if it does not agree to solve problems of patent and copyright laws violation, by providing pipeline protection dating back seven years for new drugs that have not yet been brought into the country.

Many public health activists accept that the violation of patent rights of products like video tapes, cassettes, clothes, watches, etc had not been strictly controlled. But they argue that medicine is an absolutely different issue and does not involve intellectual property rights.

Our government should ignore the demands of the US and take a firm stand regarding pipeline protection of medicines, because it is just "a pinch" in the issue of patents protection.

Commerce Minister Uthai Phimchaichon earlier stated that if we face PFC, it would affect about 4,500 million baht of our export products, compared to the loss of about 25 million baht on medicines.

The figures estimated by the Public Health Ministry show that we would face a loss of about 3,000 million baht if pipeline protection is provided, which means the medicine prices are underestimated by the Commerce Ministry.

Providing back-dated protection to pharmaceutical products that have already been invented but not sold in the country means we will have to buy expensive medicines because we import about 70 per cent of our medicines.

The present Pharmaceutical Patent Law already protects foreign medicines sold in this country, therefore this has nothing to do with violation of Intellectual Property Rights (IPR), stated Prof Chirapon Limphananon of Chulalongkorn University's drug study group.

She said this issue should be described as a matter of monopolising prices of foreign medicine instead.

The pipeline patents protection will affect the country's economic, social and political status in many ways. It will affect the public health service of the country because a lot of budget will have to be spent on the purchase of medicines and over 460 small hospitals in the rural areas throughout the country will not be able to afford the medicine.

The effect will be observed in the long term because the new medicines that demand pipeline protection will gradually come into our country without knowing when they will be registered. The new medicines will monopolise our market for seven years after registration, before a similar type of medicine is produced.

When ordinary medicine itself becomes so expensive, one can imagine the effect of retroactive patents protection on AIDS, which is an extremely important national issue.

The AIDS problem is increasing in our country each year, and it is estimated that by the year 1994, there will be 14,016 AIDS cases and 1,306,835 HIV carriers. AIDS can lead to other diseases, also known as opportunistic diseases like tuberculosis, pneumonia and fungal infections, due to deficiency of immunity.

Most AIDS carriers are from the lower income group and they have to continuously take medicines to try to maintain their immuno deficiency. Medicines are not like other products that can be replaced, especially for specific diseases like diabetes, cancer, AIDS and other heart diseases.

The bottom line is that it may be too late for people in the lower income group to get the medicines they need by the time they can afford them.

Paper Urges U.S. To Drop SRV Trade Embargo

BK2206014193 Bangkok BANGKOK POST in English
22 Jun 93 p 4

[Editorial: "Clinton must drop VN trade embargo"]

[Text] Bill Clinton's jealousy of a presidency is approaching another pothole—normalisation of relations with Vietnam. US business interests are conspiring with allies like France and Japan to pressure Clinton into taking two actions that are as inevitable as they are sure to bring him grief.

Clinton must and will act on the recommendation of several of his advisers last Wednesday that he drop the de facto US veto of International Monetary Fund loans to Vietnam. And he must and will allow the crippling trade embargo to lapse in September.

On both counts we say: It's about time.

The US began the embargo against then North Vietnam in 1964, and extended it to the whole country in 1975. In 1978 secret talks on normalisation broke down because Washington was pursuing a warming trend with Beijing—with whom Hanoi was then at odds over Cambodia. After Vietnam ousted the Khmer Rouge in early 1979, many European and Asian countries joined the US embargo.

The ostensible conditions for lifting the embargo are cooperation from Hanoi in peaceful elections in Cambodia and the "fullest possible accounting" of soldiers missing in action (MIAs) from the Vietnam War. The first of these has been met.

As for the MIA issue, it is a psycho-political sore spot in the United States and a likely land mine for Clinton. Though 78,750 US MIAs have remained unaccounted for from World War II, and 8,200 from Korea, politicians' manipulation of the issue has raised to a kind of cult status a widespread belief that the Vietnamese government still imprisons hundreds if not thousands of GIs.

Richard Nixon used the MIA issue to rally support for the war. Ronald Reagan gave the "cause" his blessing. As scholar William S. Turley said at a joint US-Vietnamese conference on the issue last year: "Denying the claims of widows of dead servicemen would be politically suicidal for any leader, while promoting (the MIA issue) is an effective way for politicians to wrap themselves in the flag."

This is where the issue is a hot potato for Clinton. He opposed the war, and his 1969 avoidance of the draft was an issue in last year's campaign. He is sure to take flak for lifting the trade embargo and for allowing IMF loans. The April discovery of the "Russian document" purporting to show Hanoi's duplicity on MIAs made his job that much harder.

In last Saturday's BUSINESS POST, Reuter reported that some of Clinton's aides favour lifting the IMF ban and ending the embargo at the same time, in September, to minimise fallout. This is probably what will happen. Though France and Japan will urge a loan resumption at the IMF meeting in July, Clinton probably lacks the courage—and the political capital—to take a punch then and another two months later.

His aides' reasoning shows an understanding that both decisions must be taken, sooner or later. And though the problem is not of his making, Clinton is the man of the hour.

Everyone stands to gain from normalisation. US business people finally will be able to invest in what many hope will become one of Asia's most dynamic economies. Vietnam will gain access to a source of much-needed funds to rebuild its infrastructure as it liberalises its economy and—we hope—improves the lives and health of its impoverished people.

It is to be hoped, though, that as it accepts new loans, Hanoi will avoid the addiction that left the Philippines with US\$29 billion in unpayable debt.

Washington's ongoing vendetta—its attempt to win the war after all—is now at best an anachronism damaging to all parties concerned. Bill Clinton's campaign slogan was "the courage to change." It is in his power to end Vietnam's pariah status. It is a change Vietnam's leaders have made crystal clear they want and need. It is also a change that 70 million Vietnamese—more than half of whom were not born when the embargo began—and millions elsewhere desire.

Politically, the decision is not an easy one for Clinton to take. But let us not forget that he wanted the job and all the responsibilities that went along with it. We hope he will have the courage to bring about this important and long-overdue change and, in doing so, make a solid investment in the future. There has been enough dwelling on the past.

Infrastructure Links To Be Developed With SRV*BK1806014593 Bangkok BANGKOK POST in English
18 Jun 93 p 19*

[Text] Thailand and Vietnam have pledged joint efforts to promote infrastructural links in the Mekong River sub-region.

The goal will be pursued by Thailand's National Economic and Social Development Board (NESDB) and Vietnam's State Planning Committee (SPC), that country's top planning agency equal to a ministry.

The promise came in a memorandum of understanding signed on Wednesday following a three-hour discussion between NESDB secretary-general Phisit Phakkasem and SPC chairman Do Quoc Sam.

The document called for the NESDB and SPC to make feasibility studies at the subregional level, especially in transport and energy development, to promote infrastructural links among the Mekong Basin countries.

According to Dr Phisit, who is touring Vietnam with 14 Thai technocrats, the two agencies can immediately form a bilateral working group to prepare for a meeting on sub-regional cooperation sponsored by the Asian Development Bank (ADB).

The August meeting in Manila will bring together representatives from six countries forming the Mekong River sub-region—Burma, Cambodia, China, Laos, Thailand and Vietnam—to select priority projects for which the ADB will fund feasibility studies.

The ADB, keen on extending credit to Vietnam but blocked by the US embargo, has completed an overall strategic study to harness the potential of the Mekong sub-region with an emphasis on transport and energy ties.

Deputy Prime Minister Suphachai Phanitchaphak will lead the Thai delegation to the meeting, said Dr Pisit. The Vietnamese delegation will be led by one of that country's deputy prime ministers.

Vietnam's share of the emerging development involves highways starting in the Northeast of Thailand passing through Laos to Vietnamese ports.

Hanoi is said to prefer the development of Route 9 which leads to the now undeveloped port of Danang.

Dr Pisit called the memorandum a breakthrough because it means trust is being forged between the two countries, historical rivals in the region.

The NESDB and SPC have also established a dialogue for the first time, which will enable greater exchanges, especially in training and sharing of economic planning experiences.

The World Bank, which has given Vietnam free advice on market economics served as a go-between for some years for the NESDB and SPC.

The NESDB team was in Hanoi this week to hold a two-day seminar on Thailand's experiences in economic planning for Vietnamese planners from various state agencies.

The seminar forms part of the Thai Government's aid to neighbouring countries.

Vietnam**Phan Van Khai Gives Report at National Assembly****Part One***BK2006091593 Hanoi Voice of Vietnam Network in
Vietnamese 0500 GMT 17 Jun 93*

[Part one of the report delivered by Phan Van Khai at the opening of Ninth National Assembly's Third Session on 16 June—read by announcer]

[Text] The situation in the country continued to undergo fine changes during the past six months. These changes, however, are not stable as there are still weaknesses and great difficulties to be overcome. This is reflected in a relatively comprehensive fashion in various areas of activity with the following prominent features:

First, production and circulation continued to develop fairly well. The output of the winter-spring rice crop, though reduced by 6 percent compared to the same period in 1992, was still higher than that of any years prior to 1992. Other crops, a number of industrial trees especially perennial trees, animal husbandry, afforestation, and the catching and processing of aquatic products all increase relatively well compared to the same period last year. Industrial output was up by 10.2 percent with a relatively unvarying rate of growth both in the state and nonstate sectors, as well as in industrial centers and large cities.

Aside from the continuing development in the energy, materials, and consumer goods industries with readily available markets, there has been a number of mechanic products that have successfully emerged in the competitive environment. They are engines, electric transformers, small tractors, spare parts, and mechanical consumer goods. The pace of construction of all important projects for 1993; such as the 500-kv powerline; the hydroelectricity projects of Da River, Thac Mo, and Vinh Son; the Thang Long-Noi Bai highway; and the Tan Son Nhat Airport tarmac, in general, was well-maintained.

Export value increased by 17.5 percent over the same period last year. The export value of rice, tea, vegetables, meat, aquatic products, and textile and clothing products increased by over 20 percent. Import values

increased by 32 percent, but did not exceed the export index. Demands for equipment and many kinds of material supplies were answered more efficiently. Transportation and product circulation continually expanded. The total value of sales of retail goods and services increased by 14.7 percent not excluding the price factor, compared to the same period last year. The range of goods was diversified, and the prices were relatively stable. People were able to remedy difficulties in their daily lives and some of them were able to increase their incomes.

Second, monetary management and regulation tasks showed new improvements, thus contributing to achieving gradual economic stability. The national budgetary income in the first six months of the year increased by 45 percent compared to the same period last year. Of that amount, revenue drawn from the state-managed sector and taxes on nonstate industrial and business sectors increased by over 50 percent and taxes from the import-export sector increased by 2.6-fold. Under relatively stable price conditions, these are the highest increases ever achieved nationwide. Expenditures increased 76 percent compared to the same period last year, with overspending amounting to only 41.3 percent of that authorized by the National Assembly. The overspending was covered by borrowing and not by issuing new bank notes. The regulation of monetary circulation focused on the need to restrain inflation on one hand, and made good progress in the rectification of lagging liquidation on the other. Also, in the efforts to stabilize the prices of gold and the U.S. dollar, unexpected upheavals were avoided when large amounts of new bank notes or bank checks were issued or when interest rates were adjusted. These successes coupled with the increase in production and expansion in circulation have contributed to holding down the inflation rate. The price index of retail goods and services sales in the first five months of the year increased on average by 0.9 percent per month, compared to 2.5 percent per month in the first five months of 1992. These achievements have had positive effects on production and living standards, thus contributing to enhancing socioeconomic stability.

Third, various fields of activity—educational, scientific, cultural, health, and social—received increased leadership in accordance with the spirit of the seventh party Central Committee's Fourth Plenum resolution. Visible changes for the better have been seen in certain important areas of work. The numbers of students in all grades grew larger, rates of drop-outs and repeat students reduced, more boarding schools for children of ethnic minority people were built, and movements to acquire trades and foreign language skills expanded tremendously. The reshuffle of the scientific research institutes moved at a slow pace, but we have initially fulfilled the basic step of attaching the research task to training and applications. Activities in scientific management, technology, and environment protection were carried out with greater efficiency. The press and the publishing

houses were reorganized with special attention to the improvement in both content and format, and cutting down publications with bad content.

The communication undertaking has achieved a new great turn by covering the whole country with television and radio transmission networks, including mountainous, highland, and offshore areas.

In the task of protecting people's health, the construction of first aid stations in villages, the prevention and control of malaria and goiter, and the immunization of children were intensified especially in the highland and remote areas, as well as in the cities. For the protection and care of children, the tasks of propaganda and mobilization were developed in parallel to give special care to disabled children and children in special hardship circumstances.

The tasks of population and family planning have been expanded and targeted at the right population, resulting in an increasing number of people voluntarily participating in family planning activities.

Activities in sports and physical exercise were developed strongly in mass movements for all ages, mainly in cities. We have also paid special attention to building up the force of core athletes by organizing various domestic tournaments as well as attending international ones. We have created relatively favorable conditions for the contingent of athletes to participate in the 17th South-East Asia Games.

Programs and proposals to create employment were set up and realized with more practicality. The networks of job-referral and occupational training centers were expanded. The struggle against hunger and poverty movement which was developed in most localities and enjoy wide participation, has scored initial and practical results. The government resolution that was issued early this year to suppress drug abuse, prostitution, and AIDS is being developed and carried out. The task of investigating and uncovering corruption and smuggling cases has been intensified much more than before. A number of offences have been handled harshly in accordance with the newly amended law.

Fourth, national defense and security were firmly maintained in the face of complex changes from without and acts of sabotage and disturbance from within. We were able to combine various forms of political and diplomatic struggle to win the sympathy and support of the countries in the region and the world public in general for our stance of solving disputes through peaceful negotiations, thus preventing situations from becoming more complicated.

By strengthening the forces responsible for national security and defense, we were able to promptly detect and punish sabotage elements from outside who tried to establish contacts with bad elements in the country.

As for the case involving a handful of persons who took advantage of their religion to disrupt social security and order, our state has settled the matter in a fair and reasonable fashion and in accordance with the law by distinguishing illegal acts from religious activities, thus winning the sympathy of a large number of priests, religious followers, and the people. Meanwhile, all work related to the discovery, investigation, and prosecution of criminals was carried out faster than in the past.

Fifth, international relations were constantly expanded and consolidated on the foundation of the renovation achievements and correct foreign policies in combination with the positive diplomatic activities and foreign economic relations.

During the first half of this year, many diplomatic activities were initiated with positive results, thus helping to strengthen understanding and the relations of friendship and cooperation between our country and many other countries in the world. Typical of these were the official visits to Japan, the Republic of Korea, New Zealand, and Austria by the prime minister of our government; to the Philippines by the chairman of our National Assembly; and the participation in many international seminars and working visits to a number of countries by other comrade party and state leaders; as well as the visits to Vietnam by the French president, the Lao party chairman and concurrent prime minister, and a number of senior politicians from Belgium, the Russian Federation, the Federal Republic of Germany, the Netherlands, China, Thailand, and so forth.

We also demonstrated our goodwill and cooperation with the United States in solving the issue of Americans missing in action during the Vietnam war, considering this as a purely humanitarian issue. The U.S. side must also undertake responsibility in resolving the issue of Vietnamese missing in action during the war. Various delegations of the U.S. Administration and U.S. people of various circles coming to Vietnam have all acknowledged this fact and have clearly demonstrated a positive attitude toward eliminating the U.S. economic embargo. The world public, including the U.S. people, all realize that the U.S. embargo can only hinder but cannot prevent the development of trade relations between various countries and Vietnam.

This year, though the path has not been totally open, sources of foreign development aid have increased both in the quantity of aid and in the number of countries providing it. The international finance organizations have worked with us to prepare for credit proposals with favorable conditions once the relationship is formally established. In the first six months of the year, 110 foreign investment projects were licensed with a total registered capital of \$1.648 billion, which is more than twice as much as the amount at the same period last year. Among these are big projects worth over \$100 million tendered by large multinational corporations. Also noteworthy is that investors have paid more attention to the north.

Our fellow country-people living overseas are coming closer to the fatherland. The get-together of overseas Vietnamese nationals held during the spring festival early this year has opened a new stage in the policy of mobilization for overseas Vietnamese, which aims at strengthening their trust in the renovation undertaking and the future of the country, and in our party and state's policy of reconciliation and solidarity among the people. The policy also aims at encouraging overseas Vietnamese to help their families and contribute to building up their homeland.

Generally speaking, we may say that the fine achievements scored in 1992 have been consistently brought into full play during the first six months of this year. This indicates that achievements and progress made in the implementation of the renovation undertaking are neither temporary nor accidental. Once again, the unyielding impetus and creativity of our people have been clearly manifested, especially when our nation faces numerous difficulties and ordeals. The renovation undertaking has promoted the potentials of our nation and the capabilities of the Vietnamese people, while winning increasing support, assistance, and cooperation from foreign countries.

Achievements scored during the past six months have testified to the correct leadership of our party and state; the effective supervision and management of the government, sectors, and localities which have gained more knowledge and experiences in implementing the renovation undertaking, especially in the economic domain.

The government has strengthened its work relations with various organizations of the National Assembly. Progress has been made by the government in supervising and coordinating with various sectors and mass organizations. Its control work has been enhanced and its coordination with localities has been strengthened.

Part Two

BK2006141393 Hanoi Voice of Vietnam Network in Vietnamese 0800 GMT 17 Jun 93

[Part two of the report delivered by Phan Van Khai at the opening of the Ninth National Assembly's Third Session on 16 June—read by announcer]

[Text] While asserting our achievements and progress, we must seriously review our weaknesses that caused setbacks to our progress. We must seriously evaluate our weaknesses which have decreased uniformity and stability in our advancement. We should realize all the great difficulties that must be overcome to successfully implement the duties outlined by the National Assembly for 1993.

Agricultural and industrial production is experiencing difficulties in terms of capital, technology, and market. Goods smuggling which has not been eliminated continues to be a threat to various consumer production sectors. The potentials of various economic sectors have

not been fully developed. Reform in the state-run and collective economies has progressed slowly. The management of public property is carried out loosely and ineffectively. Investment for development is still minimal and improves quite slowly. Many important infrastructure projects have not been funded for actual construction. These weaknesses, if not overcome, will not only block our economic growth rate in the years ahead but also on a long-term basis.

The financial and monetary situation still contains some unstable factors, including difficulties in balancing the national budget and in the relations between the prices of agricultural products and those of industrial products and services. The prices of some goods, especially the prices of cement and construction steel, have been fluctuating mainly due to the poor balance between supply and demand.

Progress made in the education, cultural, health, and social work is only limiting the service's downward slide and is not effecting any great and comprehensive improvement, especially in mountainous and isolated areas and in regard to the poor. The unemployment situation is still very acute, especially for the youth. The struggle against corruption and smuggling is achieving only limited effect. The prevention of social evils is not yielding any clear results. Political security, social order, and the protection of land and territorial waters are continuing to face complicated situations, especially violations to our border and territorial waters and sabotage conspiracies inland.

The world and regional situations provide both positive and negative trends toward our country. However, we have strictly adhered to our foreign policy of peace, cooperation with all nations, and resolving all outstanding and newly arising problems in the relations with other countries through peaceful negotiations and in the spirit of respect for each other's independence, sovereignty, and legitimate interests.

Regarding Cambodia, we advocate the efforts to strengthen the good neighborly and friendly relations with this country, respect the Cambodian people's right to self-determination, and refrain from interfering in Cambodia's internal affairs. We must realize, however, that the situation in this country is still complicated.

It is necessary to say that in creating a favorable international condition for the cause of national development demands that we stay alert and work in an unyielding fashion. Our country is facing numerous difficulties left over by history or by the impact of foreign interference, and superimposed upon that are the difficulties and weaknesses arising from our management and supervision errors.

The renovation of policies and systems especially fails to meet the needs and practical changes of daily life. We still lack a general vision and uniform coordination in the renovation process. There are policies that have not yet been consistently substantiated in line with the

renovation process as is the case with a number of policies toward peasants, the settlement of issues concerning the state-run economy, and the renovation of the financial, monetary, and credit policies.

Guidance for work implementation remains a weak point for various components at various levels. Even the promulgation of documents guiding the enforcement of laws, regulations, and decrees is usually slow and, in some cases, lacks synchronization. This causes difficulties and loopholes in the process of implementation.

Guidance has not yet been provided by various sectors and localities for the constant and scrupulous implementation of a number of major tasks, such as guarding against corruption and smuggling, curbing waste, paring down expenditure, and reducing personnel staffing. This causes these tasks to yield poor results.

These shortcomings are closely linked to the state of sluggishness and slowness in the process of renovating the state machinery. Meanwhile, the administrative and judicial reform process is just in the preparatory stages. Cadres and civil servants have not yet extricated themselves from the practices of the old mechanism and still fail to perform duties in a way to meet the needs arising from renovation process. These are great obstacles to the renovation process and national development.

The government clearly realizes its responsibility in these shortcomings and heartily welcomes the views presented by the people and voters demanding that the government, National Assembly deputies, and all sectors and echelons fulfill their responsibilities.

Major issues that must be resolved in order to fulfill the tasks of 1993 and make preparations for 1994:

In the first six months of the year, the domestic situation in various respects is developing favorably. The implementation of the 1993 tasks is, however, not so easy and favorable because there are many important things to be done in the final months of the year and also because there still remain many potentially unstable factors in the situation.

On the basis of a National Assembly resolution and on a plan of action carried out since early this year, in the next six months the government should concentrate on providing guidance for and resolving a number of key areas of work so as to fulfill the 1993 tasks. Allow me not to reiterate all those policies and measures previously presented before the National Assembly when discussing the 1993 tasks. Here I would like to present only a number of important issues, the resolution of which should be supplemented based on the actual situation in the first six months of the year.

First, it is necessary to improve the financial-monetary situation and to overcome factors that cause instability and hinder development. Superimposed upon that are the issues concerning budget and pricing.

Regarding the budget, after many years of budget cut-backs designed to contain inflation, this time we advocate continuing to discourage inflation while increasing budget allocations in order to meet indispensable requirements.

The government expenditure approved by the National Assembly shows an increase of 15 percent over 1992 with the price factor still not taken into account and with the largest increases being slated for investments in capital construction, in the application of the new wage system, in the creation of jobs, in the covering of fallow land and bare hills with greenery, in research and exploitation activities, and in the defense of territorial waters and off-shore islands.

A slower increase is expected in the source of internal revenue—about 54 percent over 1992. Budget overspending will be greater. The budget shortfall level—equivalent to the total budget allocated for development investment—will be offset by [words indistinct] and foreign loans, chiefly by preferential credit loans.

In the first six months of the year, the budget expenditure plan was carried out more satisfactorily than in previous years. The level of overspending did not exceed the permitted limit, while the rate of inflation was lower than during the same period last year. The implementation of the budget plan for the last six months, however, remains a very heavy task. Money saved from many major expenses during the past six months has now been amassed for use in the coming months in such tasks as applying the new wage system, solving the employment problem, and covering fallow land and bare hills with greenery.

As for investments for capital construction, the allocation of funds during the first six months of the year failed to ensure the pace of construction. In the early part of the year, we were unable to secure sufficient funds for a number of important projects to be started in 1993 such as the Gio Linh hydroelectric power project and the gas pipeline project. The need to build various projects in October is also causing great difficulties to budget management. In addition, we must also anticipate unexpected spending to cover natural calamities and complicated border developments. In general, the budget spending-related task for the last six months of the year will be greater than the first half of the year. Thus, it will be more difficult to balance the budget while the pressure on prices will also increase.

As for those measures presented by the Ministry of Finance, I would like to further elaborate on these in my report before the National Assembly:

—The most important measure is to increase revenue in order to meet the needs of budget expenditures. The main purpose behind the idea of increasing revenue collection is not to raise taxes. In 1993, we have increased tariffs on some imports. But the general idea is to gradually renovate our tax system in the direction

of simplification, rationalization, and [words indistinct]. We should reduce the tax rate in order to encourage investment in developing production and businesses [words indistinct]. The draft law on tax levied on land use which will replace agricultural tax and which is going to be presented before the National Assembly at this session has been compiled in that spirit. The value-added tax, which will replace commercial tax, is now being applied on those businesses where conditions permit. Now it is necessary to scrupulously comply with those tax laws already promulgated. The potential to increase tax collection from all areas of work and all economic components is still great.

- In the state-run sector, tax debts should continue to be tackled along with efforts to settle other debts in the second phase.
- The misappropriation of public property and money and dubious accounting in salaries, bonuses, and tax duties are still a common practice.
- The revenue from import-export taxes has been increased with the adjustment in the tax rates of some commodities. But tax evasion is still very serious, especially concerning import taxes. It not only decreases the import tax revenue, but more seriously, it is harming local production, and from there, narrowing the savings of the entire economy.
- The number of nonstate industrial and commercial taxpayers is bigger than before. But the great difference in the average tax payment by taxpayers in different localities with the same economic conditions shows that the tax loss is still high.

On analyzing real capacities, the government is determined to instruct that there be an increase in tax revenue from the entire country. The increase in tax collection will be higher than the 11 percent approved by the National Assembly. The increase will cover the outlined spending and newly arising expenses and will partly redress the budget deficit. The localities that overfulfill their tax collection target will be allowed to keep a portion of the collected money to supplement their infrastructure investment.

We will intensify control over budget spending and collection as well as the fight against waste, especially in infrastructure investment and in localities with great national budget spending. It is necessary to investigate and define causes and responsibility in every project that requires more capital investment than the amount set forth in its planning. Regular spending on projects must strictly conform with the requirements set down in the planning.

Lavish spending on celebrations, ceremonies, meetings, guests, and gifts in state economic enterprises and mass organizations is unacceptable. It is necessary to closely regulate this spending. Every organ and economic unit must publicly announce the spending so that the people

and responsible organs can supervise and verify. We must strive to put an end to the practice whereby every time we have difficulties with money we request more funding from the government and the more public funding the better.

The government has conducted investigations in some places affected by natural calamities. It discovered that more than a few localities reported damages many times more severe than the truth so that they could ask for government assistance. Some state-run economic units, when business is going well, do not ever think of difficult times. But when their products are not sold, their first action is to ask the government for financial assistance or tax exemption to compensate for the loss.

Those realities prove to us that the financial structure must continue to be renovated in order to increase its activism and sense of responsibility in sectors, localities, and at the grass roots.

Regarding the need to stabilize prices, due to the rapid increase in budget expenditure with a relatively large amount of cash, it is necessary to strictly supervise with uniform coordination the circulation of currencies. We must ensure a balance between money and goods in order to prevent a sudden change in prices during the last six months of this year. It is also necessary to achieve the objective of bringing the price index for the whole year to below the 15-percent mark.

Financial organs and banks are to closely coordinate cash payments and other measures to attract more deposits to relieve the pressure on prices. The Central Bank has the responsibility and power to issue and circulate currency but not to exceed the annual limit.

In order to balance the relationship between money and goods, it is necessary to apply measures to increase goods trading, especially goods in much demand such as cement, construction steel, oil and gas, processed foods, and some consumers goods, including imported goods, and vacation travel and other services.

The state trading, banking, and production sectors must closely and regularly coordinate in an effort to balance the supply and demand of key goods, not permitting a repetition of the sudden but avoidable change in prices of some goods such as building materials. The relationship between the price of agricultural products and that of industrial goods must be closely supervised and measures must be applied when price fluctuations cause harm to the economy.

In stabilizing foreign exchange rates, we must consider the supply and demand of foreign currencies and the buying value of the Vietnamese dong against foreign currencies to encourage exports, control inflation, and improve foreign currency management and circulation. If the incoming resource of foreign currencies continues to increase, the bank will have favorable conditions to start a normal, convenient trade in foreign currencies and to implement the government decision on granting

loans in foreign currencies, including short- and long-term ones to encourage industry and agriculture to import more equipment and materials for production.

We can use a part of the foreign currency fund to grant loans for importing consumers goods that are in demand to increase foreign currency circulation. With the recent adjustment in import tax rates, the importation of consumers goods, including high-class commodities, not only meets the practical needs of the public but also helps to boost local production and upgrade the capacity and competition of local goods together with increasing budget revenue.

Part Three

BK2106100793 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 17 Jun 93

[Part three of report delivered by Phan Van Khai at the opening session of the Ninth National Assembly's Third Session on 16 June—read by announcer]

[Text] The report presented at the December 1992 National Assembly session by the prime minister, on behalf of the government, said that the real situation and capacity both require and create conditions for our country to expand the scale of construction investment, further accelerate the rate of economic development, gradually narrow the development gap between Vietnam and neighboring countries, and extricate itself from the situation of a poor and underdeveloped country.

We understand that the economic development rate depends on efficient investment and new technology. The renewal of the economic structure and policy aims at encouraging and attracting all resources to invest in development.

In past years, the rate of savings for investment, though on the increase, has progressed slowly and at a very low volume and is mainly dependent on foreign capital. Improving this situation is a key issue for our country at present and in the future.

The government report in the last National Assembly session clearly stated the direction, line, and policy to accelerate investment in development. I would like to add some major tasks that need to be accomplished in the last six months and to prepare for 1994.

A. First of all, it is necessary to urgently prepare feasibility plans, orderly determine priority order, and successfully amass capital for development investment regarding key economic projects, especially those involving the construction of socioeconomic infrastructure. It is also necessary to anticipate new possibilities for sources of development aid.

Financial agencies must ensure that capital is furnished to projects, which are being built with budgetary funds, on schedule and in accordance with set plans.

B. The formation and institutionalization of policies encouraging and directing investment in the country should be carried out faster so that they can be promulgated for implementation from this year.

The peasant policy together with the viewpoint on agriculture development and rural economy directly affect 10 million families or 80 percent of the population. They contribute a very important share to the political and social stability in the countryside and the nation. They create preconditions for the economic development and acceleration of industrialization in the coming period, as analyzed by Comrade General Secretary Do Muoi in his 3 June 1993 speech at the Fifth Plenum on rural socio-economy of the party Seventh Central Committee.

The plenum resolution, together with the revised law on land and the law on land use which will be discussed and decided in this National Assembly session, will create new momentum in the rural areas that we need to develop quickly and correctly in the last six months of this year.

The execution of the party resolution requires a close leadership and the coordination of different sectors and levels to exploit the active peasant support, increase rural unity, and prevent possible phenomena that may lead to obstacles or disputes. We have to immediately concretize and execute the policy on granting land to peasants for stable and long-term use according to the guideline of the Fifth Party Plenum and the revised law on land. This task should be completed by the middle of 1994 in the entire nation. The task demands a speedy reform of state management on land. Before, we empowered the authority of agricultural land management to the cooperatives. Now, the village people's committees, under the direct guidance of the district governments and agricultural land management organs, is to coordinate with the cooperative management boards and peasant associations for a successful implementation of the granting of land and the issuance of land registration to peasants.

In order to save the total number of cultivable land which is very limited, it is necessary to supplement some concrete policies on land transfer and taxation, when the right to the use of cultivable land is traded and the land is not used for cultivation.

We have to prepare right now the planning for land taxation in conformity with the new law. The land taxation must be quickly introduced for implementation in the beginning of 1994. When implementing the law, it is necessary to clarify the preferential treatment policy on taxation in areas, fields, vegetation, and livestock that are needed to encourage investment in difficult and ethnic minority areas.

We have to create new improvements in the execution of the government decree on agriculture and forestry promotion tasks. At present, it is necessary to mobilize scientific and technological cadres and professionals

from state organs, institutions, schools, and state economic units to form working groups assigned to villages and peasant families to provide guidance on agriculture production development and new technology application. They should give priority to mountainous and border areas, areas that stop planting poppy plants for other crops, and areas frequented by nomadic people. The government will allocate a part of the economic development fund for extra financial assistance to ensure the living, moving, and working conditions for these cadres so that they can work in those areas for a certain period necessary to bring about practical results.

Efforts have been made to broaden credit activities in the countryside in a faster manner. The amount of credit loans offered by banks to the collectively- and privately-run economic sectors, especially peasants, over the past six months has increased faster than that offered to the state-run sector. This is reasonable. This is, however, not satisfactory as the amount of credit loans granted to peasants and the privately-run economic sector is still too low, representing only 22 percent of the total loans and this practice is confined to the form of short-term loans. This weakness should be positively overcome in the period ahead in conjunction with efforts to increase the autonomy of various commercial banks, promptly readjust the interest of bank deposits and bank loans, satisfactorily exercise the policy of borrowing the money for loaning it to others, reduce inconvenient procedures, and unfailingly eliminate the bad practice of loan sharking as this amounts to putting pressure on peasants.

We should adopt a separate system for preferential credit loans reserved for needy peasants. To shape up an equity market in the advance toward a stock market in the economy, we should come up with appropriate and reasonable plans and steps capable of ensuring wholesome development and effective operation of these markets.

C. The consumer market is a very significant factor determining the success of every production establishment and investment project. As a result, we must strive to meet the market's demands at home and abroad. Regarding the condition of small-scale production, various echelons of state-run trade establishments and business agencies must attach importance to organizing market information service to support and help various small business and production establishments to understand the economic trends and find markets for their products.

Efforts must be made to study and exploit markets at home and to understand the demands and tastes of consumers. Special attention must be made to enhancing the peasants' purchasing power while expanding markets for industrial products, including production materials and consumer goods. The success of this task depends on the selling of agricultural products. We must adopt a policy to provide assistance to the peasants when prices of agricultural products are not high enough to cover the cost of production, and strive to eliminate speculation

carried out by middle men and business corporations. The state should encourage and provide assistance toward setting up joint ventures between agricultural processing establishments and the peasants to sell their products on a regular and long-term basis.

To gain markets for their products, various production establishments must consistently improve product quality while the state and society must resolutely oppose and curb goods smuggling.

The government must strengthen its guidances to various sectors and echelons to fulfill this task, especially at key branches and localities. Efforts must be made to consistently and firmly grasp the situation to draw on experiences to formulate effective measures to detect, stop, and deal with smuggling rings while taking drastic action against smuggled goods.

The state must rescind obsolete regulations and stipulations, and create favorable conditions for businessmen to reach foreign markets. Efforts must be made to expand trade relations with foreign countries and regional and international organizations through various government-to-government agreements to provide access for various business establishments to introduce their products to the world market. The Ministry of Trade, the Trade and Industry Office, and various export-import associations must help business establishments to find and create markets on a long-term basis, especially for the large volume of their import goods. Various Vietnamese trade agencies abroad which used to carry out tasks in accordance with the trade protocol reached by Vietnam and the host country, now must change their organization and work style to suit the new mechanism.

D. Direct foreign investment is a very important factor helping to increase capital and transfer technology. While efforts are being made to promote the investment atmosphere in Vietnam to compete with other countries in the region, we must strive to satisfactorily attract more foreign investment, accelerate the examination of foreign investment projects, pay special attention to helping the implementation of these projects, speed up the granting of licenses to foreign projects, and promote the transfer of technologies and protection of the environment.

In formulating the national economic policy for 1994 and the ensuing years, we must take into consideration various foreign construction projects and establishments that will be commissioned in that fiscal year. The number of these establishments will quickly increase in the years ahead. As a result, we must immediately review the activities of various kinds of establishments to determine the state functions and management over each category of these establishments, whether they are joint ventures or totally foreign-funded establishments.

Last Part

BK2206053393 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 17 Jun 93

[Fourth and last part of the report delivered by Phan Van Khai at the opening of the Ninth National Assembly's Third Session on 16 June—read by announcer]

[Text] The party Central Committee's Fourth Plenum resolutions, the progress in economic stability and development, the efforts of the state to subsidize the economy, together with the participation and contribution of the people, are factors that create a new turn for progress in cultural and social domains that include all activities in education, science, culture, information, health, sports and physical education, protection and care for children, population and family planning, implementing the policy to reward people who have done meritorious deeds, and the social insurance and social security policies.

Progress should be further developed in order to fundamentally rectify the decline and to gradually raise the level of development in these fields. First of all, the task of enriching people's intellectual and physical abilities is the most important basis for steadfast and long-lasting national development.

The resolutions of the party Central Committee and the National Assembly, and the 1993 socioeconomic development plan have outlined directions, policies, and measures. In terms of the government's responsibility, the concerned ministries should attach importance to the formulation of concrete regulations in implementing these directions and policies. We should apply the policy that guarantees the ministries that are responsible for managing sectors to have greater authority and independence in their activities and to have higher responsibility in managing budgets reserved for the concerned sectors.

The implementation of policies should be made appropriate to the unique circumstances of each locality, with special attention paid to mountainous areas, areas with minority ethnic people, and areas with more difficulties.

From 1994 onward, the state's planning should attach importance to the task of setting up and directing the implementation of the social development targets so as to create close coordination between economic and social developments right from the stage of budgeting and planning. We should further intensify the socialization of social activities and improve the organization and mobilization tasks among people of all walks of life to heighten both their labor and financial contributions. The tasks that were done well should be consolidated and the weaknesses should be rectified, including the tasks of maintaining public order and hygiene, protecting the environment, observing the regulations on social safety, and building up an awareness of abiding by the law in life and work. In this area, coordination—with clearly outlined responsibilities for each party involved, between the authorities and the mass organizations, the

localities, and the specific agencies—plays a decisive role. I would like to list two important issues:

A. Creating employment is an urgent demand of the society, especially for the young people who have just become independent. In the next six months, we need to increase the development of employment projects, especially projects that aim to cover with greenery the empty lands and bare hills in the middle lands, the mountainous areas, and the central highlands. In addition to the development of the domestic economy, we should enhance our employment-creating opportunities by seeking overseas labor markets while paying appropriate attention to protecting the interests of those who travel overseas to work. It is necessary to formulate policies and statutes to resolve the unemployment problems now facing students upon graduation.

B. The current rate of HIV infection has risen to an alarming level. The number of HIV carriers is now close to 500, seven of whom have died. These figures should not be regarded lightly, even though they only account for detected cases, because the numbers will quickly multiply with the spread of drug abuse and prostitution. Reality proves that the control and prevention of drug abuse, prostitution, and AIDS should be carried out in coordination with educational, economic, and administrative measures, and with a clear awareness that AIDS is disastrous for our people. The prevention and control of this disease must be our first priority in the fight against all social ills. We should also learn from the experience of other countries that have successfully controlled the disease, since that will help us to find effective and suitable measures for ourselves.

The next issue is that of implementing administrative reform. In this section, I would like to present three closely inter-related issues: administrative reform, implementing the new wage policy, and the fight against corruption.

A. The renovation process urgently requires the implementation of administrative reform, which is the core step in reforming the government mechanism. It also has close links with renovating the economic and political system. The objective of the administrative reform is to build up an efficient administrative system with a logical structure and a contingent of competent and clean civil servants which functions within the framework of legal stipulations. The administrative reform contains many complicated problems that need to be solved one by one. The determination of administrative authority must be in accordance with the Constitution. From there authority must be defined at different levels and in relation to one another, from the government level to the ministries and down through the local administrations in provinces, cities, districts, villages, and wards. Distinctions must be clearly drawn between administrative management functions and the administrative judiciary function which will handle disputes among organs, or

between organs with citizens. The administration mechanism at all levels should be modified to be as logical and compact as possible and to operate within the assigned function and authority.

A statute for civil servants is to be developed with positions and standards clearly defined so that it can provide a foundation for the future training, job selection, rearrangement, and implementation of the new wage system. The public service regulation is to be constructed with a clear definition of responsibility and power of civil servants in dealing with matters directly connected with public welfare. The organization and activity of government offices will be upgraded with the gradual application of informatics and the technical improvement of administrative documentation.

The administrative reform must match with and serve the economic reform. These two reforms are closely related and they will remain within the direct responsibility of the government. First of all, it is the prime minister's responsibility.

This year, we must set up an organization and contingent of specialists to help the prime minister to provide guidance for the two reforms. At first, they will outline step-by-step programs and conduct research to provide facts for government decisions on economic reform and administrative reform. The research must mobilize and gather the intelligent organs and individuals who are in the know. Attention must be paid to fully exploiting the research findings, especially scientific subjects relating to these domains.

B. In administrative reform, the establishment of a civil service system should be accompanied by the application of a new wage system. While the economy is still unstable, the financial situation unhealthy, and the duty of dispelling inflation still heavy, the government already asked the National Assembly's second session to approve a plan for gradually applying a new wage system in which minimum wage and gradual pay increase are fixed.

In compliance with a decision of the National Assembly's second session, the government has compiled a system of wage scale and allowances for administrative and service officials and military personnel, has readjusted the pension and allowances for retirees, for those people entitled to welfare policies, and for city ward and village cadres. The Ministry of Labor, War Invalids, and Social Welfare have forwarded a separate report on the application of the new wage system to National Assembly deputies. Here I would like to further elaborate on the application of the new system of wage categories and wage scale, effective 1 April 1993.

There are some new points in this new wage system aimed at doing away with indiscriminate egalitarianism and with irrationalities in the old wage system, and differentiating the wage of elected officials from that of appointed civil servants. All civil servants shall be classified into appropriate wage categories and wage levels.

If they hold leadership positions, they shall receive additional allowances for this. The new wage system clearly defines wage categories depending on personnel's knowledge, work performance, and wage levels for each category of personnel in accordance with their seniority of service. Those with long years of service but unqualified for category change shall be given a grade promotion.

This new wage system has been studied and drawn up in a relatively meticulous fashion with the participation of all sectors concerned. However, the wage-related relations are a very complicated and sensitive issue and this wage system is applied to cadres and personnel of various generations with different backgrounds of training and advancement under conditions where we have just begun carrying out administrative reform and have yet to establish a statute for civil servants and set up standards for providing assistance to the people in an adequate and clear-cut fashion. That is why in incorporating wage scales into a new wage system, we should adopt a work method suitable to the actual situation, and avoid impatience and hastiness, and refrain from causing confusion and trouble in internal relations. Furthermore, we should attach importance to those stipulations on wage categories and wage levels. These wage categories and wage levels are not permanent because they will be supplemented and readjusted to do away with obstacles and irrationalities discovered in the implementation process.

C. While trying to achieve the goals of carrying out administrative reform and purifying the state apparatus, we should fight corruption and smuggling. This is a pressing demand that concerns the entire society. Corruption and smuggling have occurred on a large scale. However, this bad practice has been found mainly in the administration system. The Steering Committee for Anticorruption has its own report to present to the National Assembly. Here, I would like to add some concrete experiences collected through the implementation of the fight against these evils.

In the last six months, the steering committee has helped the government to regularly follow, gather information, and set up measures to accelerate the battle to prevent and eliminate corruption. The newspapers have also given more active support to the battle.

As for the discovered cases, the government's responsibility is to provide guidance in dealing with the cases within the limits of the administrative apparatus. The prosecution and trial are functions of the organs of control and courts. The requirements are that the trial must be timely, impartial, just, and not pardoning but also not wrongly punishing. The verdict must be based on admissible evidence and not on hearsay and it must be careful of wrongful or biased information.

The discovery and trial of violation cases must continue with more determination. But reality proves that we need to combine many measures in order to solve the

problem at its root. We also need to heighten the responsibility of leaders of sectors and localities in order to prevent and put an end to the corruption.

Actually, most corruption cases involve extorting state property, causing losses to budget revenue, and relying on loopholes and irrationalities in our policy structure. For example, when there was a subsidization system for prices and credit, it was impossible to end the illegal practice of gaining profit from price and interest differences. Therefore, we must profoundly study, revise, and supplement our policy structure to overcome negligence and shortcomings that are exploited to extort state property and money. At the same time, we have to avoid using strict administrative orders that may cause an increase in covert economic activities.

As this is a very complex task, we should resolve the following things in the period ahead:

- National resources and assets should be appropriately priced. And this requires careful management. This should be done in such a way that there are people in charge of all the assets of the country and the state and that these assets are worthy of being preserved and developed. It is necessary to promptly carry out this policy toward those state properties now being seriously infringed upon such as land, houses, investment capital, and trade businesses' assets. Anything that is deemed unnecessary to remain under state ownership can be transferred into private or collective ownership.
- It is necessary to adhere to the principles of freedom of trade in those domains that are not prohibited by law, lessen the need to obtain permission from so many public organs and echelons, reduce unnecessary procedures as they only cause inconveniences.
- As an immediate task, efforts should be made to promptly examine various procedural regulations in connection with the granting of licenses for business operations and occupational practice, the granting of import-export licenses, and the distribution of export-import quotas, as well as those procedures and fees for ownership transfer; the distribution or allocation of houses and other assets; procedures on imports and exports, and so forth.
- Laws, regulations, and procedures applied to citizens by civilian organs should be made public so all the citizens, public organs, and state employees can be dutybound to comply with them. State organs directly handling requests by citizens should post a list of procedures and paperwork needed for handling these requests and should make the people understand stipulations related to these requests. Citizens have the right to know the names and positions of the civil servants handling their requests.
- Doing away with the bad practice of officialdom is an important demand for administrative reform as it contributes to fighting corruption.

- Gradually improving the tax system and renovating tax collection methods, doing away with the situation where tax collection is carried out in a bargaining fashion, and minimizing exceptions such as those on tax exemptions or reductions.
- The system of cash penalties for administrative violations should also be revised in this direction.
- It is necessary to accelerate the establishment of economic and administrative tribunals in order to use legal procedures to resolve various disputes between businesses themselves and between citizens and state organs and to develop legal services and legal consultation.

If we make deeper studies into each work area, we may find many other specific issues to be tackled. This is not the end of the story. Solutions, however, are not simple. The reason is because on the one hand, we lack knowledge and experience, and on the other hand, our problem-solving methods affect the interests of those individuals and groups that are taking advantage of the loopholes in mechanisms and policies to protect their privileges. Therefore, to tackle the above-mentioned problems, we must conduct scientific investigations and research as well as struggle against conservatism and bureaucratism. It is important for everyone to uphold this spirit while preparing draft laws and regulations related to the legislative plan already approved by the National Assembly.

While striving to satisfactorily fulfill the 1993 tasks, we must urgently formulate the socioeconomic development plans and budgets for 1994. In formulating these plans and budgets we must pay special attention to investigating and analyzing the capabilities of various economic components in investment and development at home while studying the trends of foreign investment in Vietnam, especially progress in foreign aid. We must speed up the formulation of development plans for key areas, conduct feasibility studies of important projects, especially those relying on the state revenues. We must study and investigate various socioeconomic issues—including issues related to the incomes of the population, the standard of living, and consumption in various areas—to collect information and data to serve the formulation of plans and policies. We must also conduct special social science research on the unemployment problem and on the requirements and aspirations of the youths, and so forth. Efforts must be made to assert and carry out work on revising and supplementing various lines and policies to promote further socioeconomic development and to balance budgets for this purpose. We must strive to balance requirements on materials, finance, and money for the years ahead. We must formulate various work plans with a clear division of labor and active coordination from various agencies at the central level and in localities.

With these preparations we will be able to gradually enhance the quality of our socioeconomic development

task, effectively formulate estimated budgets for submission to the National Assembly, and quickly set targets and allot budgets for sectors and localities concerned.

Thanks to the party's leadership, the resolutions of the party Central Committee, the supervision and assistance of the National Assembly, and the close coordination of the Fatherland Front and mass organizations, the government will make every effort to develop achievements and overcome weaknesses and shortcomings in management and supervision so as to fulfill its duties. We are convinced that those changes for the better in the first six months of the year will continue to encourage the entire people to use their aggregate strength to overcome difficulties and obstacles, successfully implement the National Assembly's resolution on the tasks for 1993, and make better preparations for national development in the years ahead.

Thank you, comrade National Assembly deputies, for your attention.

EC Ties Viewed; U.S. Urged To Drop Embargo

*BK2206020693 Hanoi Voice of Vietnam in English
1000 GMT 21 Jun 93*

[“Radio Review on Relations between Vietnam and the European Community Over the Recent Years”]

[Text] Vietnamese Prime Minister Vo Van Kiet will soon visit four member countries of the European Community—France, Germany, Belgium, and Britain. The visit is to further promote relations and cooperation between Vietnam and these countries in particular and with the European Community in general.

The economic community logo with the circle of 12 stars has become familiar to Vietnamese people. This is encouraging for close relations between Vietnam and this organization. Three years ago the EEC had relations with Vietnam through humanitarian aid only. Now cooperation between the two sides has developed in many fields—first of all economically, on the basis of equality for mutual benefit. Vietnam and the EEC have signed a number of important agreements on textiles and garments. The turnover of Vietnamese goods exported to the EC is at a record \$240 million. It is planned to sign more agreements to broaden EEC aid and investment in Vietnam (?this autumn).

Relations between Vietnam and each member country of the European Community have also developed recently. The February visit to Vietnam by French President Francois Mitterrand was of important significance. President Mitterrand was the first state leader from the West to ever visit a unified and independent Vietnam.

German Foreign Minister Klaus Kinkel visited Vietnam to sign an agreement on the encouragement and protection of investments and a framework agreement on sending German expertise on development aid to Vietnam.

Belgium, another European Community member country, has recently proposed measures to help Vietnam settle its debts. Vietnam is also on the priority list of countries who receive development aid from Belgium.

Today, though the economic cooperation between Vietnam and Britain is not equal to its potential, Britain has and is investing in many economic aspects in Vietnam.

It is worthy of note that all European Community countries share the same view for an early lifting of the United States embargo against Vietnam as they hold that the abolition of the economic sanction on Vietnam would benefit the United States, Vietnam and the European Community as well.

The coming visit to these four member-countries of the European Community is expected to facilitate the promotion of relations between Vietnam and the EC.

Australia**Premier To Raise Human Rights Issues With PRC***BK2006053093 Melbourne Radio Australia in English
0500 GMT 20 Jun 93*

[Text] The Australian Prime Minister, Paul Keating, says trade and investment will dominate his week-long trip to Korea and China. Mr. Keating, who left Canberra this morning, says both nations now have strong economic links with Australia. He says China is particularly important as a target for Australian investment, but Mr. Keating says he will raise human rights issues with the Chinese as Australia has done in the past.

Minister: Arbitration Possible on Airlines Dispute*BK1806114693 Melbourne Radio Australia in English
0500 GMT 18 Jun 93*

[Text] The federal transport minister, Bob Collins, has warned that Australia retains the right to take Northwest Airlines to international arbitration. The government and Northwest yesterday reached the truce over the flight on the disputed New York-Osaka-Sydney route. Australia claims Northwest has consistently breached the so-called 50-percent rule, a condition that more than half the passengers on the flights via Japan should be traveling between United States and Australia. Australia yesterday withdrew its threat to cut one of the three weekly Osaka flights as America dropping planned moves to cancel three Qantas flights to Los Angeles. But Northwest still disputes the legality of the so-called 50 percent rule. Senator Collins says arbitration remains an option if an agreement is not reached in six months.

[Begin Collins recording] If these discussions fail and if we don't reach an agreement with the United States over the air services agreement, and that is really the substantial issue, then our rights to access arbitration under the air services agreement are preserved and we will do that. [end recording]

Minister Hints at Settlement With Nauru*BK2106074493 Melbourne Radio Australia in English
0500 GMT 21 Jun 93*

[Text] Australia says an out-of-court settlement to its dispute with the pacific nation of Nauru is both desirable and possible. In a statement released after a weekend visit to Nauru, Australia's Minister for Pacific Island Affairs Gordon Bilney says the trip confirmed his view that a settlement is possible. Mr. Bilney held talks with Nauru's acting president, Vincent Detenamo, and other ministers. Nauru has taken Australia to the International Court of Justice [ICJ] claiming compensation for alleged environmental damage sustained by phosphate mining during Canberra's administration of the island. Erina Reddan from our South Pacific Bureau reports.

[Begin Reddan recording] Nauru has demanded at least \$50 million for Australia's part in environmental damage caused by nearly half a century of phosphate mining. Australia administered Nauru under a United Nation's trusteeship on behalf of New Zealand and Britain between World War I and Nauru's independence in 1967. Nauru won the first round because the ICJ dismissed Australia's petition to have the case thrown out. The court is expected to hear the case at the end of next year. Mr. Bilney says although Australia is ready to defend itself, it would prefer a settlement. He said something might turn out of the meeting between Prime Minister Paul Keating and President Dowiyogo of Nauru at the upcoming South Pacific heads of government meeting hosted by Nauru in August. [end recording]

Fiji**France Wants To Increase Presence in S. Pacific***BK1906095293 Melbourne Radio Australia in English
0800 GMT 19 Jun 93*

[Text] France says it wants to increase its presence in the South Pacific. The country's Overseas Departments and Territories Minister Dominique Perben made the statement in Fiji after meeting Prime Minister Sitiveni Rabuka and the South Pacific Forum Secretary General Ieremia Tabai. Mr. Perben said he had stressed France's need to increase its cooperation in the region particularly with the French territories. He also said that it was important to continue implementation of the Matignon accords which recognize the need for economic and political power sharing in New Caledonia.

Deputy Speaker Resigns Over Slow Reforms*BK2206070893 Melbourne Radio Australia in English
0500 GMT 22 Jun 93*

[Text] Fiji's deputy speaker has resigned in protest over the government's slowness in reviewing the racially biased Constitution. Erina Reddan from our South Pacific Bureau says that Navin Maharaj, a prominent member of the opposition Labor Party, plans to lobby foreign support for full democracy in Fiji.

Navin Maharaj says that the Fiji Labor Party supported coup leader, Sitiveni Rabuka, as prime minister on the understanding that a review of the Constitution would begin immediately. One year later, Mr. Maharaj says a satisfactory review looks even further away.

In a speech formally opening parliament yesterday, President Sir Penaia Ganilau said the review would be downgraded from a full parliamentary select committee to a cabinet subcommittee. Mr. Maharaj says his resignation shows that the Labor Party wants action now and it was no longer prepared to put up with any delays.

New Zealand

Bolger Pledges To Continue Antinuclear Policy

*BK1806104293 Melbourne Radio Australia in English
0800 GMT 18 Jun 93*

[From the "International Report" program]

[Text] In New Zealand, the National Party government will go to an election this year with the same antinuclear policy as the last time it faced the people in 1990. Prime Minister Jim Bolger made the pledge in parliament during a special debate on the renewed commitment he gave last week to the policy which has strained relations with Washington.

Brendan Burns reports from Wellington that the pledge removes any doubts that the ban on nuclear-armed or -powered ships might change after the next election.

[Begin recording] [Burns] Prime Minister Jim Bolger's National government came to office in 1990 after six months earlier adopting the outgoing Labor administration's ban on visits by nuclear-armed or -powered ships. But Mr. Bolger also promised to improve New Zealand's relationship with the United States.

After President Bush announced in September 1991 that nuclear arms were being withdrawn from surface ships, Mr. Bolger ordered a review of the safety of nuclear propulsion. Delivered six months ago, the review found visits by nuclear-powered ships would pose no danger to New Zealand. This left open the question whether the National government would change the legislated ban on nuclear propulsion and readmit such ships if it were to win November elections.

Mr. Bolger had clearly expected some accommodating response from Washington. His first hurdle of an election campaign in which his government was going to be charged with harboring plans to readmit nuclear-powered ships. With no signal emerging from the Clinton administration that it would improve relations with New Zealand, Mr. Bolger has rediscovered his commitment for the antinuclear policy.

He says this year's election policy will be the same as that in 1990—banning nuclear-armed or -powered vessels. This leaves New Zealand still suspended from the ANZUS alliance with the United States. Mr. Bolger says his government will maintain the close defense relationship with Australia which former Labor prime minister, David Lange, has said should be reviewed.

[Bolger] Unlike the Labor opposition, we are in no doubt that this link serves New Zealand's wider interests very well and we will continue to play our part in it. As is well known, our defense relationship through ANZUS with our long-standing ally, the United States, is in abeyance. I regret that because at a time when the U.S. is encouraging its partners to play a greater part in providing for their own defense and security, the effect of the U.S. response on defense cooperation with New Zealand is actually to make it that much harder for us to play the kind of useful role in underpinning regional security that the U.S. itself values so much.

[Burns] Prime Minister Bolger says it for the United States to accommodate New Zealand's antinuclear policy. He says that nuclear weapons withdrawn, Britain and France now accept that ship visits to New Zealand can resume, but the United States has chosen not to respond.

Labor MP's welcomed Mr. Bolger's speech as evidence that the policy which they had initiated is now bipartisan and guaranteed. Even deputy prime minister and foreign minister, Don McKinnon, now reluctantly accepts New Zealanders have got what they wanted. A long-time advocate for New Zealand to change its policy to meet U.S. demands, Mr. McKinnon says New Zealanders were duped by Labor into supporting the nuclear ships ban. He says this still carries the cost of having no security relationship with the United States.

[McKinnon] Very dramatically did they mislead the public, because they said all along that nothing that they were doing would affect their bilateral or multilateral relationships. Now, they [word indistinct] sort of calmly smooth over, you know, we can talk to these people, we can talk to those people. Sure we can do all those things, but the point is we sacrificed some very dramatic linkages that New Zealand had had for more than a hundred years—at what price, at what cost, we are still feeling that, Mr Speaker. That is what it has been all about.

[Burns] Foreign Minister McKinnon is not alone in the New Zealand Government ranks in feeling aggrieved that the antinuclear policy has been reaffirmed. But a majority of government MP's in New Zealand welcomed the decision.

They now head into this year's election without New Zealand's strongly antinuclear voters fearing that a reelected national government could lead to the readmission of nuclear-propelled ships—something opinion polls show voters do not want, even if the price is no security relationship with the United States. [end recording]

